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Cuba

Reportage on Ninth National Assembly Session

Castro on Sugar Industry

FL0507014291 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 5 Jul 91

[Report on the Ninth Regular Session of the National Assembly of the People's Government, ANPP, at the Convention Center in Havana—live; passages within quotation marks are recorded]

[Text] Our economy is dependent on the production of sugar from cane. It represents almost 80 percent of our exports. Almost 400,000 workers are involved in that activity. Fidel gave an extensive explanation of the historical reasons for this situation.

[Castro] "Sugar has become the country's currency for the past 30 years. It has become the country's central currency. Since the price of sugar rose, the percentage of the value of sugar among exports remained high. Producing sugar became the country's best business, not only because it paid for oil, but also because we paid with sugar for other items we imported, whether these were grains, or rice, or whatever. We imported 90,000 tons of rice from the USSR. One hectare of sugarcane produced for us much more rice (?than one) hectare planted with rice. So there were many reasons for the country to work on, invest in, and increase sugar production. Because of these circumstances, sugar became the most profitable, we could say, of our agricultural products and our agricultural production. If I were asked, I would say that we should have increased sugar production even more, really. It could have been increased more, and it would have been right to increase sugar production more."

Fidel said that in the past sugar harvest, the country had made a great effort, although it did not fulfill the plan that had been set. He argued the specific idea that the sugar harvest continues to be a strategic activity for the country, and requires greater development and efforts. The efforts made to date have not been sufficient, and results have shown this.

[Castro] "I think that the Ministry [of the Sugar Industry] is making an effort. The technicians and workers in sugarcane agriculture are making an effort. They are introducing new techniques. They use zeolite. They use alphamilase. They use twenty things, and this past year they have had to practically work miracles, miracles [repeats] to reach 95 percent of the goal in sugar. Anyone would say that producing 95 percent of the goal is a real feat, under the conditions in which we have had to fulfill that goal. We could speak more about their merits and virtues, since from this industry come the raw materials for important areas of biotechnology and the pharmaceutics industry, which can mean very considerable income for the country, very considerable income. [repeats] The comrade from Cuba IX talked about how many things they are finding solutions for. The comrade from ICIDCA [Cuban Sugarcane Byproducts Research Institute] also spoke. I believe there is a world of things. We could talk about the kind of fungi that can be produced; the people at ICIDCA are also working on this. There are many more things. We have to work tenaciously on all these kinds of things."

Fidel insisted that we cannot think that the sugar industry is not profitable, and insisted that we cannot create the image that such a great effort is useless for the country.

[Castro] "Some sugar mills are more modern; others are older. Some have better technology than others. Of course, with the system that was applied, a price was set and that was it. The impression that was given was that the sugar industry would have to be shut down entirely because it was not profitable. But the country has lived off the sugar industry in these past 30 years, even though the mills themselves do not pay for themselves. They have to fight to reduce their costs, of course, to reduce costs as much as possible in order to be more efficient. But with the internal prices of sugar up to a short while ago—I myself have brought up this problem more than once—there is no way to have a profitable sugar mill. But this sugar was marketed at higher prices. That sugar was exported at much higher prices, and with the raw materials that it bought we produced thing ranging from beer, fabric, clothes, to who knows what else. I am saying this so that you will not be left with the idea that the sugar industry is not profitable for the country."

There are provinces that have worked better than others, and sugar complexes with better results than others. These are times in which we are forced to work miracles, Fidel said, and this of course is based on the specific efforts of the people in each place.

[Castro] "We are forced to make the effort we are making, and many people are doing this. It is notable what some are achieving. I think what Villa Clara Province achieved is notable. I think among the agreements that are reached here there should be one to give special congratulations to Villa Clara Province for the feats it achieved during this past sugar harvest." [applause]

Opening Session Viewed

FL0407151991

[Editorial Report] Havana Tele Rebelde Network in Spanish at 1300 GMT on 4 July begins live coverage of the Ninth Regular Session of the National Assembly of the People's Government, ANPP, from the Palace of Conventions in Havana. The national anthem is played after Cuban President Fidel Castro makes his entrance. ANPP President Juan Escalona Reguera declares the session open stating that there are 463 deputies present, representing 92.6 percent of attendance. He then asks the delegates to observe a minute of silence in memory of deputy Sonia Gallardo Moreno. He presents a newly elected deputy for San Nicolas de Bari, Norma Erbis Gonzalez, asks her to stand up, and welcomes her to the assembly.

At 1306 GMT, Escalona then introduces Juan Herrera Machado, minister of sugar industry, who approaches the podium and begins reading his report. Herrera points out the importance of the sugar industry since colonial times but notes that great changes have taken place, especially, since the triumph of the revolution. He asserts that the sugar industry's contribution represents 20 percent of the gross economic product. Herrera says that the sugar industry production is practically self-sufficient from the fuel point of view and notes that it consumes around 10 percent of the fuel used nationally. Herrera explains that the Sugar Industry Ministry [Minaz] system is organized in 252 entities, which include 156 sugar mills and 368 sugarcane by-product plants.

At 1309 GMT, as Herrera is reading the sugar industry report, there is an abrupt break in transmission. The Tele Rebelde network comes back on the air at 1312 GMT with a test pattern of color bars. At 1341 GMT, the test pattern changes to the Cuban Radio and Television Institute pattern. Live coverage resumes at 1345 GMT, after an announcer at the studio explains that the transmission was interrupted because of a power outage. Herrera ends reading his report at 1346 GMT.

Escalona then opens the floor for deputies who have requested the opportunity to intervene. One deputy comments on the sugar industry report and praises the work being carried out by the workers of this sector. Another deputy inquires about a problem existing in the transport of bulk sugar that Herrera acknowledges and explains that efforts are being made to solve it.

Over the next 35 minutes some half-dozen deputies make general comments on the Minaz report, on work at specific sugar mills, etc. In response to a deputy, the Minaz minister explains how combine operators' salaries have increased through the years compared to other positions.

At 1430 GMT, Escalona asks the director of the Uruguay sugar mill, before going to the recess, to speak so that he can explain how this sugar mill was able to produce 235,000 tons of sugar during the last harvest. The sugar mill director gives additional production figures for his mill for the last few years. He says the workers received a special motivation when Castro visited them and suggested they work toward achieving the goal of producing 300,000 tons of sugar by the 1995-96 harvest.

At 1450 GMT Politburo member Jorge Risquet speaks for approximately one minute, noting the importance of the attention given to workers in achieving large production goals in places such as the Uruguay sugar mill.

At 1451 GMT, Secretariat member Lionel Soto speaks for approximately one minute, pointing out the importance of diversifying the scope of sugar products in order for Cuba to be able to deal with the complex economic situation of today's world.

After other delegates make additional short comments, at 1500 GMT Escalona calls for a 30-minute recess.

Attorney General Reports

FL0507022091 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 5 Jul 91

[Text] Late in the afternoon at this National Assembly session, the Assembly approved a report presented by the Art, Culture, and Recreation Commission about the historic significance and vitality of Fidel's words to intellectuals 30 years ago. Then the Supreme People's Court presented its report. Court President (Amaro Salup) set forth the results in the period under analysis. He emphasized the work being done by the courts regarding special attention so that persons who are defendants in criminal proceedings and who do not attend the trial will fulfill their obligation to appear. This is a task that has been taken up consistently in order to ensure compliance with the law and respect for the rules of socialist coexistence.

The supplementary sentences of correctional labor with imprisonment and correctional labor without imprisonment are also given special importance in the report. These are applicable to those who are sentenced to less than three years in prison and when, because of the nature of the crime and its circumstances as well as the individual characteristics of the defendant, there are reasons to believe that he can be reeducated through work.

The office of the attorney general of the Republic also presented its report this afternoon. In his report, Attorney General Ramon de la Cruz Ochoa discussed the fluctuations in trends in criminal activity in the period including last year and the first months of 1991; the legal handling of crimes; methods and forms in the commission of actions, as well as economic crimes; missing inventories; and last, some general considerations about Operation Cascabel.

In his speech, Ramon de la Cruz said that criminal activity in the first quarter of this year had increased 7 percent in comparison with the same period last year, which is closely related to the reorganization process in the Ministry of the Interior, greater accuracy in the crime statistics, and a quicker and more effective response by the organizations charged with investigating criminal actions. The attorney general of the Republic noted that in the distribution of crime, most of it is made up of strong-arm robbery, theft, and the theft and illegal slaughtering of cattle. Regarding the legal handling of crimes, the attorney general's report states that during 1990 the office of the attorney general and the National Revolutionary Police gave special attention to increasing the speed with which cases are processed in the preparatory phase. This was maintained at an acceptable level in spite of the increase in criminal activity.

The problem of handling crime gave rise to an speech by the commander in chief in which he referred to the necessary mass participation required to prevent these actions.

[Begin Castro recording] I do not believe there is a much more energetic attitude than that of the police right

now—it is a much more systematic attitude—and that of the courts, and the office of the attorney general. We have to win this battle, but we must win it above all with the masses, below. Not all crimes will be included, not by any means, but a large part of the irregularities, immorality, and corruption will be halted, and I do not see any formula other than a formula of masses. I see this formula of masses only through the People's Councils. [end Castro recording]

Minister on Improving Domestic Trade, Shortages

FL030717239l Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 3 Jul 91

[Interview with Rigoberto Fernandez, vice minister and official spokesman of the Ministry of Domestic Trade, by unidentified reporter, place and date not given—recorded]

[Text] [Fernandez] We cannot forget that most of our trade was with the USSR and East European countries. We all know what has unfortunately happened in these countries and although our Soviet comrades want to fulfill their contracts with us, there are delays, and some products never make it.

[Unidentified reporter] Besides trade with these countries, do you believe some things are determined by our domestic trade?

[Fernandez] That is a reality. Whenever you do not have an extensive net for distribution, whenever you have to keep watch on shipment arrivals to distribute the goods to the people, and you have to unload that vessel in less than 72 hours, of course this causes instability in distribution. Also, there are irresponsible people, people who fail to do the job correctly, this causes mistakes and inefficiency. The consumers are the ones that suffer the consequences.

[Unidentified reporter] Do we lose any products en route between the vessel, the storehouse, and to the market?

[Fernandez] Although we have lately implemented inspection mechanisms and assigned comrades to the job of following the product from the harbor to the market, there are still some instances where our precautions are foiled. That is why the Ministry of Domestic Trade inspections department is constantly working, with the outstanding assistance of mass organizations, to stop these mistakes. We admit that there are still some distribution deficiencies and poor behavior.

[Unidentified reporter] Are supply shortages, instead of distribution problems, the reason for the shortage of some products like salt and sugar?

[Fernandez] If there is a shortage of salt or sugar it is a distribution problem because there is plenty of salt and sugar.

[Unidentified reporter] How about rice?

[Fernandez] But if we are talking about lard, soap, or detergent, then it is true that there are shortages and that is why their distribution is rationed. We have to be careful, some news announcements raised unfounded hopes. We are aware of the current efforts of the workers.

[Unidentified reporter] You mean soap and detergent workers?

[Fernandez] Yes, they are committed to overcoming the output lapses and normalizing distribution. But this is not easy. For example, last year's consumption of detergent was 39,000 tons, 31,000 tons were produced, therefore we had to import 7,000 tons. Soap also experiences the same situation. The production does not match the consumption of the people and the social services, like hospitals and child care centers. This might seem like a distribution problem but it is not, it's a problem of not enough production.

[Unidentified reporter] Touching again on the subject of storehouses, I have seen some that work very well, but others have problems. What is being done?

[Fernandez] Do you mean the storehouses in Havana City or the rest of the country?

[Unidentified reporter] In Havana City.

[Fernandez] I can assure you that work is being strictly conducted with executive committees of mass organizations after changing all managers of food distribution storehouses in Havana City, not only personnel changes but also repairs. You are definitely right.

[Unidentified reporter] You do believe that it is necessary to regulate all free-sale products to solve the distribution problem?

[Fernandez] To ration a product you always have to conduct an analysis first, because sometimes when you ration a product you have to increase production and you are making a commitment for specific amounts and dates. Sometimes it is better not to regulate. This analysis has to be specific and include production, distribution, consumption, budget, etc. Therefore, it is always necessary to make an analysis. Lately, we have been rationing almost every product to ensure better distribution to the people. We are also regulating them. You know what this means. A certain amount will be available every so often, no set schedule or amount, in accordance with available supply, like yogurt for example.

[Unidentified reporter] What about the sale in bulk of some products in only some provinces?

[Fernandez] When a nation, such as Cuba, has to endure such a severe embargo, a proper supply of containers also becomes difficult. We would like to have the right containers because it saves more money and resources, but as long as it is necessary we will continue bulk distribution. Lack of containers is not going to limit distribution to the people.

[Unidentified reporter] Could mayonnaise, oil, vinegar, be sold this way?

[Fernandez] Yes, mayonnaise, oil, vinegar, all products, in response to whichever circumstances we experience. We will try to avoid this, within our possibilities. What we prefer is to distribute the goods to the people in spite of container shortages.

Rodriguez Continues PRC Visit, Meetings

Discusses Ties With Wu Xueqian

FL0307183591 Havana Tele Rebelde Network in Spanish 1700 GMT 3 Jul 91

[Text] Today, Cuban Vice President Carlos Rafael Rodriguez and Chinese Vice President Wu Xueqian held a productive meeting to exchange views on the future of bilateral cooperation ties and other issues in the international sphere. Wu Xueqian is said to be confident that the Rodriguez trip will help to strengthen ties of friendship and cooperation between the two nations. Carlos Rafael Rodriguez arrived in the PRC last Monday. During his seven-day stay, Rodriguez will also meet with other officials of the CPC and Beijing authorities.

Meets With Wang Zhen

FL0407010291 Havana Radio Rebelde Network in Spanish 2304 GMT 3 Jul 91

[Text] Cuban Vice President Carlos Rafael Rodriguez has repeated in Beijing, where he is on an official visi that communism will never lose out in Cuba in spite of the difficulties and obstacles we may face. For his part, Chinese Vice President Wang Zhen thanked his guest for the telegram of congratulations sent by Cuban President Fidel Castro on the 70th anniversary of the founding of the Communist Party of China.

Wang Zhen asserted: For us, Cuba's position is an incentive that reaches us from America. He defined Cuba as a heroic country. For his part, Carlos Rafael Rodriguez said that the CPC has inspired the Cuban people, which admires its efforts to combine Marxist theory with the specific conditions in China. Finally, the Chinese leader stressed that both his country and Cuba firmly believe in Marxism-Leninism, which guides their cause.

Cuba Proposes Organization To Replace CEMA

PA0407232391 Havana Radio Havana Cuba in Spanish 1400 GMT 29 Jun 91

[Text] Cuba has proposed the creation of a new organization to replace the recently dissolved Council for Mutual Economic Assistance, CEMA, something that is needed at a time when regional economic integration is being carried out in other parts of the world.

Enresto Melendez, the Cuban representative to CEMA, said in Budapest that dissolving the organization was a contradiction because its mechanisms could still have been used and adapted to the new requirements of its former members.

* Reduction in Active Military Service Explained

91CA0156A Havana GRANMA in Spanish 4 Jun 91 p 3

[Interview with Minfar Directorate Chief Jorge Romero Alonso by Cesar Gomez Chacon; place and date not given; first two paragraphs are GRANMA introduction]

[Text] On 19 March the Minfar [Ministry of the Revolutionary Armed Forces] published a note in our paper about the deadline for fulfilling Active Military Service (SMA). It reported that "after consulting with the party, the government, and the FAR [Revolutionary Armed Forces], the commander in chief has given instructions to take the steps needed to submit a bill to reduce the period of Active Military Service."

Owing to the interest that the topic has aroused among the population, GRANMA interviewed Colonel Jorge Romero Alonso, the Minfar Directorate chief, who gladly agreed to answer our questions.

[Gomez Chacon] Besides what has already been published, could you amplify on the main reasons for the commander in chief's decision? By exactly how much will the period be reduced? Will this affect our combat capabilities?

[Romero Alonso] I must begin by clarifying that the reduction of SMA from three to two years is not exactly due to causes but rather to the existence of conditions that enable us to take this step today.

During the early years of the Revolution, when the Military Service Law had to be enacted, the country had a very great need for professionals, technicians, and skilled workers, young people who would train to face the future, and for others to take up the economic and social tasks of those times.

We were unable to include most of them in the first call-ups. Because of this, and also as a result of the low cultural level among the masses of young people in the early years of the Revolution, a 3-year Military Service had to be legislated.

These conditions gradually changed with the development of education and the country's productive forces and with the increase in the level of schooling of our youth. As a result of this, today we have a qualitatively superior group of young people, most of whom have completed pre-university schooling or mid-level technical school, and they are able to take up the tasks of teaching and assimilating complex combat techniques much faster and much more easily.

The gradual return of our troops from the successful completion of internationalist missions, the incorporation of women into the Women's Volunteer Military Service, and the professionalization of some posts that SMA soldiers used to fill have also fostered these changes.

I should also emphasize that as the published note made clear, this in no way harms our combat capabilities. On the contrary, it is precisely the development of the country's defenses, with the philosophy of the war of all the people, thanks to which we have millions of well trained, organized, and armed men and women, that we can now reduce the period of SMA.

Moreover, this will enable the young people who have FAR military training to more quickly join the reserves, the MTT's [Territorial Troops Militias], and the production and defense brigades, thus bringing new blood into them and strengthening them further.

[Gomez Chacon] When will the bill be ready? Will it be retroactive for those who have already been called up?

[Romero Alonso] Work is being done so that the bill is ready and is submitted to the National People's Assembly as soon as possible. We will report on this at the proper time.

The main thing, however, is that the reduction of the period of service, which was a long-standing goal of the leadership of the Revolution and of the Command of the FAR, has gradually been put into effect for some time now, and today SMA has an average duration of 2.3 years, which does not mean that there are not soldiers who serve their three years.

This has happened primarily as a result of Order 18 (formerly Order 20) of the FAR minister, which provides incentives for combatants who distinguish themselves in the performance of duty and who have completed pre-university schooling or are graduates of a mid-level technical school and did not make it into a university program of study. At the conclusion of their second year of SMA, they join a military pre-university school that guarantees their preparation and gives them another opportunity to enter higher education.

There is also the case of pre-university graduates who already have a major and the graduates of primary school teachers institutions, who spend just one year in SMA. This arrangement ought to expand until we reach the goal set by the Fifth Congress of the UJC [Union of Young Communists] that all students can go through SMA.

Moreover, the current SMG [General Military Service] law itself gave the FAR minister the power to reduce the SMA period up to 1 year as an incentive for those young people who post an outstanding record in the service. This has been done, especially in the case of those who have successfully completed internationalist missions.

Now then, under current conditions and pursuant to this power of the FAR minister, we are trying to discharge, before August, all of the soldiers who have been in SMA for more than 2 years, including the ones who are serving in the EJT [Youth Labor Army] and in Minint [Ministry of the Interior], so that by that month there will be no soldiers in SMA with more than two years of service.

[Gomez Chacon] Will the application of Order 18 undergo changes? Will the reduction of the service period cease to exist as an incentive?

[Romero Alonso] Order 18 remains the same. The only difference is that from now on the combatants who benefit from it, once they have served their two years, are discharged and enter pre-university as civilians, notwithstanding which they will keep on receiving financial support and direct attention from the FAR. Therefore, the incentive of a second chance to enroll in university remains.

This means that those who now opt for Order 18 will be the soldiers who really have every motivation to take a university program of studies.

In this regard, I should emphasize how important this system is in providing the country with professionals. Under Order 18 we already have 3,452 university graduates, among them 385 physicians, 265 dentists, more than 280 agronomists, 160 licensed attorneys at law, and others.

These are young people who at the time did not have the grades or academic record they needed to attend university and who earned this chance in the Armed Forces through their own merit.

I can add that many of them are intelligent boys who were careless about their studies and got low grades in pre-university. When they enter the service, this school called the Armed Forces, or the other tremendous source of labor training, the EJT, they change, mature, develop their personalities, and approach life from a different perspective.

We know that upon entering university, some of course have academic problems, especially in the first year of a program of studies. But afterwards, as of the second year, they pull even with and even surpass the rest.

Moreover, as the commander in chief said when he met three years ago with the graduates in medicine, our professionals are men who are capable of taking their knowledge to any part of the world, of practicing their profession under any circumstances, no matter how adverse, and at the same time are well prepared to defend our Revolution with arms.

I remember that that day, when he had finished speaking, one of the new physicians under Order 18 came up to him and said: "Commander, I am one of the young men who are capable of doing all that, because I earned this degree by working in the EJT," and he showed him his hands, hands that had been shaped by creative work.

As for your question about whether the reduction of the service period will be kept as an incentive, we feel that the new law can retain this possibility for outstanding performance. So there will be young people who through their merits will spend just a year or a year and a half in the service.

[Gomez Chacon] Anything else?

[Romero Alonso] Yes, I would like to point out that this decision is further proof of the confidence that the leadership of our party, the commander in chief, and the Armed Forces have in Cuban youth who have performed the tasks of defense in such exemplary fashion.

Thousands of young people volunteered as combatants on internationalist missions. In fact, when we had to reinforce our troops in Angola in late 1987, some soldiers who were about to be discharged and others who already had been, demanded to go in that contingent, and no one could convince them otherwise.

They included some under Order 18 who did not accept our explanations that they had to enter military preuniversity. They went to Angola and did not begin their studies until they returned. Today they are attending university. The same thing happened this year when many combatants, before being discharged, responded to the appeal to join the work of the food program in Pinar del Rio and labored there with excellent results. These are our young people.

And finally, you have to see how earnestly and responsibly our troops have undertaken the discharge process itself, soldiers who could have left but who have stayed on to complete the high-quality training of their replacements.

Our young people are magnificent. As the minister of the FAR once said, every day they teach us a lesson in heroism, in revolutionary altruism. We want to help them all with these changes.

* Construction of Air-Raid Shelters Reported

91P40333A Mexico City LA JORNADA in Spanish 17 Jun 91 p 35

[Excerpt] AFP, EFE, and PL, Havana, 16 Jun 91. Cuban workers have been constructing tunnels for use as air-raid shelters to confront a possible military attack by the United States. In a letter addressed to President Fidel Castro, the construction workers gave assurances that "we will not rest until the capital has been turned into Swiss cheese."

The information was taken from the weekly JUVENTUD REBELDE and was circulated by AFP which noted that "for weeks, several pits have been visible in the capital in which workers carried cement and operated earthmoving equipment of the type used for public works."

The letter refers to the Gulf war in which the United States and its allies used "sophisticated military technology...to massacre the Iraqi people."

But it states that "our people will be able to save themselves from the imperialist bombardment in case of attack and, when they (the Americans) descend beneath the earth—because they will have to descend—[our people] will come forth from the heart of our beloved Fatherland to fight, fight against the Yankees and annihilate them.

"There will be no concessions...since we will continue to build socialism in Cuba, 90 miles from the United States," the letter concluded.

In other news, the III National Meeting of the Federation of University Students concluded with a pledge to convert learning centers into places of political-ideological discussion and the diffusion of revolutionary thought.

The secretary of the Central Committee of the Cuban Communist Party, Carlos Aldana, said "there is no need to fear discussion, nor reason to be surprised when the ideas of others do not agree with our own." He said that before "labeling" someone who does not share our viewpoints regarding the revolutionary process, it is necessary to exhaust all means of persuasion, but without ceasing to be emphatic and consistent regarding principles.

For his part, the minister of education, Luis Gomez, emphasized that, parallel to ideological discussion, it is necessary to promote discussion in Cuban universities which is free of formalisms and has theoretical and conceptual depth.

With regard to the meeting, the agency EFE indicated that, despite the fact that meetings of this type are held periodically, this one is part of the "revolutionary offensive" which communist leaders have initiated at the national level in order to prepare the population for the difficulties which are coming due to aggression and pressure on the part of the United States.

In this context, the director of the National Center for Nuclear Security, Andres Garcia, reiterated that the Juragua nuclear plant in Cienfuegos province meets the security standards mandated by international organizations.

In statements to JUVENTUD REBELDE, Garcia, an engineer, explained that once an abnormality is detected construction operations are suspended and are resumed only when the error has been corrected. "Confidence in the use of the atom for the benefit of mankind, without having it present a danger at the same time, is based on the strict compliance with these rules and regulations," he added. [passage omitted]

* Need for University Graduates Questioned

91CA0156B Havana GRANMA in Spanish 31 May 91 p 3

[Article by Georgina Jimenez]

[Text] What type of worker does the country's future development require and how should he be trained? Should the number of students entering university be kept the same as now? What consequences will the current demand for professionals have for pre-university enrollment?

These are essential questions for our development strategy, and important decisions about them will have to be made. These decisions will have a major impact on the economy and, in turn, on the lives of the younger

generation. The reason is that young people will have to seriously reconsider their choice of studies and future work life.

One fact is beyond question: in-depth change is required in the pattern of university enrollment and, hence, in the proportion of students enrolling in pre-university and technical and professional education (ETP).

New approaches are urgently needed to the distribution of the work force in the jobs pyramid, in other words, in the proportion of laborers, mid-level technicians, and university graduates.

Why? The country has more than 380,000 professional university graduates, and the enrollment in higher education stands at around 270,000 students, with an average of 33,000 graduating every year from our 47 universities.

To make matters worse, for more than a decade practically four times as many students have been entering the first year of university as the entire university enrollment in Cuba before 1959.

The result is that a number of professional university programs are reaching saturation. Therefore, the enrollment in higher education cannot continue to increase as it has.

In light of this situation, for several years now the number of entrants into higher education has not been increasing, even though the number of graduates from pre-university has been growing. On the contrary, it has dropped over the past five years. Nonetheless, the most recent entering class (close to 60,000) is still too large.

Reversing the Proportions

The upshot? An increasing number of graduates from the 12th grade are not getting into universities and, instead, are being offered thousands of openings in polytechnic centers so that they can gain technical and professional skills that will enable them to join production and services. As we know, a high-school diploma represents no professional training at all.

The outcome of all this is that for several years now a growing number of students (and their families, of course) would rather enter a polytechnic school at the completion of ninth grade. Therefore, the enrollment in these schools has increased quite a bit.

But too many students are still entering pre-university. The reason is not only that many families want their children to do so, but also that there are many openings in these centers, accounting for almost 60 percent of those offered to graduates of the ninth grade. Openings in polytechnic schools account for the other 40 percent.

For this reason the leadership of the Mined [Education Ministry] has decided to reverse these proportions in favor of the ETP; this will, of course, take several years.

But boosting enrollment in polytechnic schools is not enough.

Obvious Contradiction

The overwhelming majority of the young people entering these centers want to train as mid-level technicians (with their sights always set on future enrollment in a university), whereas the number of students who want jobs as skilled workers remains quite scant.

The contradiction is obvious. How can production processes be developed, in any social system, with a disproportionately larger number of professionals and technicians than workers, especially in an underdeveloped country like ours?

The paradox in Cuba's case is even more pronounced since socialism represents precisely the raising of the workers to power as the ruling class and, therefore, the conversion of their ideology and their values into the predominant ones in society.

Life shows, however, that the development of social awareness is a very complex process, and the issue that we are considering is one example: A great many families regard work in a trade as the last choice for their children.

Shared Blame

Why is this so? I think that there are many reasons. One of the most powerful is that many of us still have a concept of social prestige that is not in keeping with the sweeping changes that have taken place in our country.

"Now that everyone can study, my child has to go to university." Who has not thought this? However, we need to ask: But who will produce our goods then? And just as important: Why think of university professions as the only ones that lend a person prestige?

But let us be frank: More than a few decisions that the Revolution has made have helped greatly to strengthen such views. Haven't certain employment and wage policies in one agency or another fostered these ideas? And haven't the unequal incentives for skilled trades in different areas fostered them too?

And what about the frequent pro-forma, simplistic approach to categorizing workers, whereby more attention is paid to degrees and other certificates than to their real abilities, as evidenced by their performance on the job. Doesn't this encourage many workers to obtain these pieces of paper? Isn't the larger proportion of openings in pre-university among those offered to ninth-grade graduates another major reason?

From Mid-Level Technicians to a New Type of Worker

Major changes in the ETP in 1987-88 were a step forward, as the number of specialists declined and most acquired dual job skills. Thus, a skilled worker with a broad background was also being trained as a mid-level technician.

This helped to largely eliminate the contradiction between the two job training programs and to orient the ETP enrollment towards skilled trades. Nevertheless, the essential contradiction largely persisted: Many of the young graduates with these dual skills are still after only jobs as technicians and often do not accept positions as skilled workers.

In view of all this, the Mined authorities, together with the CETSS [State Committee for Labor and Social Security], are looking into new ways of downplaying the training of mid-level technicians in polytechnic schools in both the industrial and agricultural fields, in an effort to train highly skilled workers, workers of a new kind who can perform the manual operations typical of their trades right on the job and, at the same time, cope with the new high technologies.

The changes that will take place in the agronomy polytechnics are a good example. In response to the need to train the work force that the food program requires, these centers, located inside enterprises of various crops that have become teaching enterprises, will train agronomists, that is to say, highly skilled workers who can handle a hoe as well as a tractor or Fregat irrigation equipment, workers who can apply complex techniques of biological control, who possess technical knowledge about soils and crops, and who can also weed by hand.

Now then, decisions about such important aspects of ETP cannot be made unless the approach that Cuban industry and agriculture take to the job profile and multiple skills of their work force evolves. It is obvious that the development of ETP in a country by and large goes hand in hand with the nation's technological and organizational level, and Cuba is no exception.

Thus, the development process itself transforms the nature of problems. The point is no longer to train the necessary university professionals and technicians, since the country has more than enough of them. The point now is to proceed with a major reorientation in the training and use of the work force, on the basis of the scientific and technical potential that has been developed.

To judge by the very statements of education ministers in the overwhelming majority of underdeveloped countries, these are not the problems besetting them as the 20th century draws to a close, as this part of the world is having terrible trouble enrolling more than 100 million children into primary school and teaching a billion illiterate men and women how to read and write.

The conclusions are yours to draw, comrade readers.

Dominican Republic

Reportage on 48-Hour General Strike

Termed 'Total Failure'

FL0307174691 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1610 GMT 3 Jul 91

[Text] The called two-day strike, which its organizers attempted to carry out in the capital and the provinces, has resulted in a total failure.

The stoppage of activities promoted by the so-called peoples' groups barely even saw any support in the miserable neighborhoods on the outskirts of the capital early this morning. At 0330 vehicular traffic was partially normalized with the introduction into service of the so-called [words indistinct] and of other buses with large capacity. Some difficulties were encountered by workers and laborers who could not board buses in the first two hours of the morning. The situation has now normalized throughout the capital.

Meanwhile, the National Police estimate commercial activities to be at 90 percent of normal, and at the same time they report that the day is passing without violence. The forces of order confirmed at noon that they had not observed acts of violence or threats to the peace.

The strikers have had to limit themselves to suspending productive activities. At noon commercial and industrial activities were observed to be normal. At the same time vehicular traffic was totally normal.

COP Hails 'Great Success'

FL0307174191 Santo Domingo Cadena de Noticias in Spanish 1445 GMT 3 Jul 91

["Bulletin No. 1" read by Ramon Almanze, spokesperson for the Collective of People's Organizations, COP—live]

[Text] Bulletin No. 1, written evaluation at 0600 of the first day of the strike. The general strike called by the Collective of People's Organizations, COP; General Federation of Workers, CGT; FALPO [Broad Front of Popular Struggle]; SINATRAE [National Trade Union of Hospital Workers]; (CENACOVENTA) [expansion unknown]; and a hundred other organizations is being observed with great success throughout the nation, just as we forsaw that it would.

Our organizations applaud the people's support, especially the residents, merchants, drivers, duty-free zone workers, industrial workers, and public employees; the support they have given to this general strike of immobilizing protests that we have organized. We can truly see that this is the strike of the poor, of those who have been downtrodden by the economic policies of Balaguer.

Already, the events that occurred during the first hours of the strike have shattered the predictions of those who said this patriotic effort would be a failure. At the same time, it is a great demonstration of the people to overcome all the obstacles in their way and valiantly carry out their own strike.

The COP, CGT, FALPO, SINATRAE, AND (CENACOVENTA) affirm that this strike, organized with popular protests and mobilizations, demands that the government annul the IMF accord; modify its economic policies; raise salaries 100 percent for civil servants, guards, police, and pensioners; and establish a special pay scale for auxilary, technical, and professionals. This opposes the arbitrary eviction of street venders, the arbitrary tariffs of CODETEL [Dominican Telephone Company], and favors price reductions of food and gasoline, which should be sold at 10 pesos per gallon, favors land and credit for the farmers, and urges a dignified solution to the SITRACODE [Electric Company Union] case, among other demands.

Our organizations, with the unquestionable support of the people to the patriotic strike, call upon the Balaguer government to give positive answers to the aforementioned just pleas. If the government remains deaf to the people's demands, they will be the only ones responsible for what may happen. We call on the popular organizations and the people in general to continue participating in this patriotic strike that will go for 48 hours.

At 1400 we will release the second bulletin from this team of (CENACOVENTA), SINATRAE, FALPO, CGT, and COP.

'Total Calm' Reported

FL0307153191 Santo Domingo Cadena de Noticias in Spanish 1455 GMT 3 Jul 91

[Relayed report by correspondent Henri Garcia in a mobile unit in Buenos Aires, Herrera, Santo Domingo]

[Text] Total calm and partial stoppage is being observed as of this moment in a wide zone of the city of Santo Domingo. This shows that the 48-hour stoppage called by the Collective of People's Organization has been welcomed by a large majority of the population.

After a drive through a large section of the city of Santo Domingo, the university area, Barrios La Paz, Honduras, 30 de Mayo, Roca Mar, San Jose, (Elimbe), Kilometro 12, Altagracia, El Abanico, Libertador, Buenos Aires, and Las Palmas, we have been able to confirm that the stoppage is being partially observed and many businesses are closed and there is little activity.

In Isabel Aguillar and Independencia streets, as well as Mexico Street, in the Buenos Aires sector, we have observed a heavy police presence and some businesses are closed. Vehicular traffic is reduced by 50 percent. In the duty- free area here, work is going on more or less as usual.

The people in the areas that we mentioned before have welcomed to a partial degree the stoppage called by several mass organizations, which demands, among other things, a general salary increase, that the government meet the demands of the doctors, teachers, and agronomists, as well as the resignation of President Joaquin Balaguer.

Up to this moment, no incidents have been reported even though the National Police, under the command of Special Operations agents, is maintaining a heavy presence, with long-range arms and tear-gas equipment.

We repeat, total calm and a partial stoppage is being observed in a wide area of Santo Domingo where, until the moment, there have been no incidents, which shows that a large portion of the people have welcomed the 48-hour stoppage called by the Collective of People's Organizations.

Province 'Paralyzed'

FL0307165391 Santo Domingo Cadena de Noticias in Spanish 1549 GMT 3 Jul 91

[Relayed report by correspondent Kimi de Galan in a mobile unit in the city of Cotui, Juan Sanchez Ramirez Province]

[Text] All commercial, transport, banking, and educational activities are totally paralyzed in the cities of Juan Sanchez Ramiriez Province, such as Cotui, Fantino, and Cevicos, in response to the strike called by the Collective of People's Organizations [COP] and the Broad Front for Popular Struggle, FALPO. [Words indistinct] there are police and army patrols in the principle streets and commercial establishments in Cotui, Fantino, and Cevicos. Vehicular traffic from Cotui to Fantino is still, as well as from Fantino to La Vega according to what this correspondent of the Cadena de Noticias was able to observe.

Here in the principal neighborhoods of Cotui, Fantino, and Cevicos unknown persons set fire to dozens of tires in support of the strike called by the COP.

Something surprising about this strike, according to the spokesmen of the COP and the FALPO, is that in the fields of Juan Sanchez Ramirez Province farming and labor activities are seen to be paralyzed. Finally, the people in the northwestern region also have welcomed the strike called by the COP. In a drive through San Francisco de Macoris, La Agua Sabana, Pimentel, Hostos, Castillo, and Angelina La Mata de Cotui are also paralyzed.

We repeat, all commercial, transport, banking, and educational activities are totally paralyzed in the cities of Juan Sanchez Ramirez Province, as the people support the strike called by the COP and the FALPO.

Support Reduced Second Day

FL0407133891 Santo Domingo Radio Mil in Spanish 1250 GMT 4 Jul 91

[Relayed report by correspondent David Lorenzo from a Radio Mil mobile unit]

[Text] The strike, called by the Collective of People's Organizations [COP] and other groups, is entering its second day and is being observed in the upper area of the capital, although with less support than yesterday. A great quantity of the businesses in barrios Villa Maria, Aluperon, Espaillat, (Cauley), Las Canitas, Domingo Sabio, Simon Bolivar, and Capotillo remain with closed doors. Some, however, are beginning to open. It is believed that as the morning continues other businesses may start to open to the public.

Vehicular traffic on Padres Castellanos and (Giovando) streets continues to be less than usual, with even less activity than yesterday. In Central, Antigua [word indistinct], and Morgan streets vehicular traffic is also reduced. Large groups of people are standing on the street corners waiting to get to their jobs or other places via the public transportation that is circulating in the area, principally in mini-vans. Other people can be seen out walking with their neighbors.

Numerous police agents continue patrolling the upper portion of the capital.

Until now there have been no confrontations between demonstrators supporting the strike and police agents. However, in some streets you can observe what is left of tires that were burned last night.

We repeat, the strike that is now entering its second day, called by the COP and other groups, is being observed in the upper portion of the capital, although with less support than yesterday.

Policeman Killed During Bombing

FL0407170891 Santo Domingo Cadena de Noticias in Spanish 1600 GMT 4 Jul 91

[Text] A police sergeant has died from stab wounds inflicted by unidentified assailants that were throwing two bombs at a public dining hall in La Esperanza. General Luis Alberto Nunez Guzman, commander of the regional police in Santiago, confirmed the incident and identified the 31-year-old sergeant as Gregorio Basquez Ventura. Gen. Nunez Guzman reported that 53 individuals have been arrested as part of the investigation into the death.

Sgt. Basquez Ventura was assigned to guard the public dining hall in La Esperanza. According to the report, the sergeant was stabbed to death by two unidentified individuals he confronted as they were throwing two explosive devices at the dining hall.

This is the second such incident in Santiago in the midst of the general 48-hour strike called by the Collective of People's Organizations. Before this incident, unidentified individuals had thrown a bomb at a public market in Santiago and had slightly injured six people.

Police Director Notes Injuries

FL0407164691 Santo Domingo Cadena de Noticias in Spanish 1606 GMT 4 Jul 91

[Text] The director of the National Police has said that during the first day of the general strike seven people were injured; four were shot and three [words indistinct]. In addition, 150 people were arrested in the capital and other towns of the country.

The names of the persons who were shot are: Jesus Ramon Arrias Martinez, an 11-year-old from San Francisco de Macoris; Heriberto Marte; and Luis Pena del Orbe and Manual Casanova Perez, police privates in Salcedo.

The names of the bombing victims are: Alexis de Jesus Reinoso, Ana Rosario Rodriguez, and Francisco Martinez from the Villa Agricula sector of the capital.

The national general strike is in its second day and will conclude tomorrow, 5 July at 0600 hours.

Union Reports Arrests

FL0407174891 Santo Domingo Cadena de Noticias in Spanish 1650 GMT 4 Jul 91

[Text] The secretary general of the National Trade Union of Nurses has announced that over 2,000 have been detained in the last few hours as a result of the call for a strike made by the Collective of People's Organizations [COP]. Aster Cuevas Lopez also asserted that some 500 seizures were made by policemen and Army members in various places.

[Begin Cuevas Lopez recording] The (?support) of the people during the second day of the general strike has been exemplary. The transportation and business sectors, workers of free zones and industries, and odd-job workers in general have made this patriotic strike their own. We have characterized it as the strike of the people, the strike of the poor people. It is sad that government officials Juan Jose Arteaga and Attilio Guzman Fernandez, among others, do not want to admit the strike's success because this is an indication that the government once more wants to place itself behind the people's back. [end recording]

Aster Cuevas Lopez, spokeswoman for the National Trade Union of Nurses, characterized as exemplary the second day of general strike in the country.

[Begin Cuevas Lopez recording] The government has to understand that the people disapprove of the agreement with the IMF and that it has to drastically modify its economic policy. The path it is taking continues to be the wrong one. Luis (?Doral)'s remarks made last night are a true reflection of how damaging the IMF agreement will be and the lack of willingness of the government of [word

indistinct] its position. The COP, the General Federation of Workers, FALPO [Broad Front for Popular Struggle], SINATRAE [National Trade Union of Hospital Workers], and FENACOBINTA [expansion unknown] strongly protest the level of repression carried out by our leaders against our people. Over 2,000 have been arrested and more than 500 illegal seizures have been made. [end recording]

* Balaguer Reducing Government Payroll

91CA0155B Santo Domingo EL SIGLO in Spanish 13 May 91 p 1-D

[Report by Victor Manuel Tejada]

[Text] Each year, like a scythe cutting through a field of ripe wheat, the government has gradually reduced the number of civil servants, while it also cuts back on the money that it pays out in salaries as a proportion of its total spending. Now, to top it all off, the Executive Branch is setting up a commission that will once again take charge of dismissing those who receive paychecks without working.

According to the data furnished by the Office of the Comptroller General of the Republic, last year there were 182,208 employees of the Central Government. This represents a decline of 20,000 posts (five percent a year) from the 201,910 civil servants in 1987, the first full year of the Balaguer administration.

From 1986 to 1987, 16,174 persons were removed from the Central Government's payroll; thus, in less than five years (1986-1990) the government payroll shrank by some 36,000.

The same thing has happened in real terms, though not in nominal terms, with the money that the government pays to its workers. Although spending on wages rose from 710 million in 1986 to 1.1359 billion pesos in 1989, the fact is that salary outlays account for a smaller and smaller proportion of total government spending.

According to Father Jose Luis Aleman, who in 1988 cited the data provided by the World Bank, the ratio of government spending on salaries to government spending on investment (including decentralized agencies) was 1.81 to 1 in 1980 and 1.52 to 1 in 1985. As Aleman explains, this means that the government spent 1.52 times as much on salaries as on investment.

As of 1986, however, with the advent of the new reformist administration, this situation was reversed. In 1989, for example, salaries accounted for only 18.7 percent of the central government's outlays, a considerable drop from the prevailing levels in the early 1980's.

Things have been no different this year. Thus, for example, in January the government paid out in wages and other remuneration 21.4 percent (161.4 million) of its total expenditures of 751.2 million pesos. In February it was 21 percent, rising to 23.9 percent in March.

Over the past 12 months (April 1990 to March 1991), when government outlays, according to Budget Directorate publications, totaled 7.4308 billion pesos, just 1.75467 billion (23.6 percent) was earmarked to pay civil servants.

Reinforcing this verified and acknowledged cut in the number of civil servants and real spending on wages, the administration issued decree 182-91 appointing a commission for the obvious purpose of further decreasing the government payroll, which would at the same time mean a cut in spending on salaries.

Separately, the archbishop of Santo Domingo, Monsignor Nicolas Lopez, is calling for a review of the government payroll, inasmuch as he was told that there are more than 50,000 "soft jobs" in government. To this we can add the start of negotiations with the IMF.

The decrease in government spending on salaries, by reducing the number of employees, could be based on the need to save money to cover the wage hikes of professionals (physicians, teachers, agronomists, and nurses, among others) who work for the State.

It could also be based, concurrently, on the need, which has also been verified and acknowledged, to make government institutions more efficient. This is in line with a trend that is sweeping most Latin American countries and that the Dominican Government has embraced, apparently with great enthusiasm.

This situation could, however, worsen the problem of unemployment, which according to a study by the Institute of Population and Development Studies (IEPD) published in March 1990, stood at 20 percent of the economically active population.

This 20-percent figure, which must have increased as a result of the recession besetting the Dominican economy since the middle of last year, could rise further in the wake of the measures that the administration is taking in this regard.

To this we would have to add the 4-percent increase (according to the Institute of Dominican Studies) in the economically active population each year, an increase that the production sectors have proven unable to absorb.

* Italy Invests $140 Million in Projects

91CA0155C Santo Domingo LISTIN DIARIO in Spanish 13 May 91 pp 1, 15

[Report by Maximo Manuel Perez]

[Text] The Italian Government is financing 28 cooperation projects in the country through investments of $140.2 million, including a $43.6 million outlay for the Jiguey-Aguacate hydroelectric complex.

In furnishing this information, Ambassador Roberto Rosellini said that most of the funds have been disbursed for the completion of the 28 projects.

The ambassador added that the Dominican Republic's counterpart investment in the Jiguey-Aguacate dam totals more than $200 million and that 150 Italian technicians and specialists are currently working on the civil works, the production part, the substations that send the electricity into the national power grid.

Interviewed on the program "Aeromundo," which newsman Guillermo Gomez produces and directs every Sunday from 1000 to 1100 hours on Color Vision, the European diplomat asserted that his country has been committed in recent years to the Dominican Republic's development.

He explained that seven of Italy's largest firms in the field of civil works and electricity are involved in the project.

He said that the 150 Italian technicians have the support of some 4,500 Dominican technicians and workers on this major project.

"Our presence in recent years has been basically in cooperation programs that include the energy sector, agriculture, health care, education, and a series of programs designed to help the Dominican population in one way or another," said Rosellini, adding that $140,210,938 has been allocated for Dominican projects, some $80 million in the energy sector.

He specified that in this sector $9.3 has been earmarked to clean up the lake at the Valdesia Dam; $5.9 million for the Rio Blanco project; $82.8 million in technical assistance for the Dominican Electricity Corporation; $43.6 million for the Jiguey-Aguacate dam; $6.3 million to overhaul the Los Minas thermoelectric power plant; $9.2 million to overhaul the Haina power plant, and $5.1 million to overhaul the Santo Domingo plant.

In agricultural areas the Italian Government is providing $2.6 million to finance rural development in the Western Cibao; $528,000 for comprehensive rural development in Zambrana-Chacuey; $1.2 million to support comprehensive rural-development activities; $15 million for the El Pozo rice project, and $4.5 million for the Nagua farm project.

In education, $121,400 is for an education program for the blind; $286,000 for an educational program for women in defense of life; $733,000 for a project to train educators; and $1.2 million for an electronics project at the Salesian Technical Institute.

Italy is also helping the Dominican Republic in health care by donating $7.8 million worth of medicine and surgical valves for hydrocephalic children; A total of 300 valves will be available in 4 weeks at hospitals, he indicated.

He reported that besides these funds Italy has provided $4.4 million for a pilot garbage-collection program; $3.5 million for infrastructure services in the city of Santiago; $207 million for the restoration of Santo Domingo Cathedral; $8.6 million to restore low-income neighborhoods in Santo Domingo; $227,826 worth of power shovels for the National Institute of Water Resources; and $6.8 million in foodstuffs donations.

Ambassador Rosellini announced that Italy is drafting the new projects that it will finance in Latin American countries and that once again aid to the Dominican Republic is among its priorities. He remarked that "at this moment my country, Italy, is planning the assistance that it will offer to developing countries, among them the Dominican Republic."

* Italy Proposes Reciprocal Investment Program

91CA0155D Santo Domingo LISTIN DIARIO in Spanish 13 May 91 p 12

[Report by Maximo Manuel Perez]

[Excerpt] The Italian ambassador announced yesterday that his country's government has proposed to the Dominican Government that they sign a bilateral accord to promote Italian and Dominican companies that are interested in investing in the two countries.

Dr. Roberto Rosellini said that the proposal was made officially to the government through the Foreign Relations Secretariat, "and in this regard we have already delivered the text of the proposed bilateral accord to the Foreign Ministry and we are just waiting for a reply."

Appearing on the program "Aeromundo," which is produced and directed every Sunday from 1000 to 1100 hours by newsman Guillermo Gomez on Color Vision, the diplomat asserted that "when we have signed the bilateral accord, I am confident that we will be able to guarantee Italian investments in the Dominican Republic."

The ambassador said that his country is currently very interested in the Dominican Republic, which is why more than 35,000 Italian tourists a year visit this country.

He indicated that "a first step towards guaranteeing Italian and Dominican investments was already taken with the visit by the Dominican mission to Italy several weeks ago; it was headed by the director general of the Dominican Corporation of State Enterprises (Corde), Luis Taveras, who made contact with Italian agencies and firms interested in joint ventures with Dominican businessmen."

Rosellini stated that in recent years there has been mounting interest among Italian investors in doing business in the Dominican Republic; moreover, Italian tourists prefer the Dominican Republic among vacation spots in Latin America and the Caribbean.

The Italian ambassador remarked that "in recent years Italians have become more interested in visiting the Dominican Republic, and in this connection I can tell you that last year we had some 35,000 Italian tourists here, and I also want to emphasize that some 25,000 of them arrived on charter flights from Milan and the other 10,000 on various airlines." [passage omitted]

* IAD Chief on Agrarian Reform

91CA0155F Santo Domingo LISTIN DIARIO in Spanish 9 May 91 p 3

[Text] Montecristi—The director general of the Dominican Agrarian Institute (IAD) asserted here that there are around 10 million arable "tareas" [1 tarea=629 square meters] that are held by private individuals "and that will have to pass into the hands of the IAD."

Agricultural engineer Gustavo Adolfo Tavarez made this statement in the presence of dozens of leaders of campesino federations and associations in the border region, with whom he was meeting.

Tavarez indicated that because more than 200,000 campesino families ought to have homesteaded under the Agrarian Reform during its 29 years in force, whereas just 80,000 actually have, President Joaquin Balaguer wants the process accelerated.

He reaffirmed that if the Agrarian Reform had not been pursued in the Dominican Republic, there would have been social explosions as a result of the struggle by landless campesinos to secure land on which to grow food for their families.

Tavarez added that even with its shortcomings the Agrarian Reform has succeeded in distributing more than 6 million tareas among 80,000 landless campesinos, who today are producing most of the agricultural foodstuffs that the Dominican population consumes.

The IAD director spoke after swearing in the members of the joint commission that will be in charge of locating and developing the idle lands that can be irrigated and brought into production by turning them over to needy farmers.

Tavarez' meeting with campesino leaders was held at the headquarters of the provincial government, during an event that was attended by the governor, Dr. Juan Enrique Kundhart, and other civilian and military authorities.

* Ferocas Denounces Illegal Land Appropriation

91CA0155G Santo Domingo EL SIGLO in Spanish 18 May 91 p 8

[Report by Virgilio Mendez]

[Text] La Vega—The Regional Federation of Campesino Organizations (Ferocas) has complained that 70 percent of the land in the province of La Vega is privately owned.

The federation indicated that for this reason local peasants are living in extreme poverty.

In a press release submitted to this paper during Farmer's Day celebrations, Ferocas states that the campesinos are living in poverty even though La Vega is the center of the country.

This province, the Ferocas document says, contains the most fertile lands in the Cibao, where productivity levels are high and the widest range of food crops is grown.

It explained that the campesinos have to live alongside the big barbed-wire fences and rivers in this major province in the northern Dominican Republic.

The farm federation said that this is why there is an ongoing migration from the countryside to the city and why people are leaving the country on boats in search of a better life.

Ferocas recalled that it has been fighting since 1964 to secure land for campesinos so that they can farm it and grow their own food.

Nevertheless, it said, owing to the maneuvers of landowners, the lands remain in their hands.

The federation said that government officials and landowners who want to preserve their holdings at all costs have conspired to maintain the land tenure situation in this province.

It contended that many of the officials in the IAD [Dominican Agrarian Institute] have unquestionably held back the agrarian reform process in the country.

Ferocas said that government-owned lands in Constanza, Jarabacoa, and La Vega ought to be distributed among campesinos.

In the federation's judgment, there is no reason why thousands of campesinos, who are parents, should be suffering hardship because landowners are holding on to lands that belong to the State.

Ferocas voiced the view that the unjust distribution of land in the province can be resolved through a little political will on the part of the authorities in the administration of the Social Christian Reformist Party.

It specified that for years IAD files have contained the names of landowners who illegally appropriated lands that are the property of the Dominican State.

It said, however, that IAD authorities have done nothing to enforce the law against these landowners.

The federation demanded that the agricultural authorities strive to recover government lands so that the local campesinos can be settled on them.

* Retail Bread Sales Drop 60 Percent

91CA0155I Santo Domingo EL SIGLO in Spanish 14 May 91 p 3-D

[Report by Jose Javier]

[Excerpts] The economic depression plaguing the country has caused a drop in the demand for bread. Yesterday, the president of the Union of Small and

Medium Flour Processors (UMPIH) estimated the drop in demand for the product at close to 60 percent.

Francisco Rosales said that the sector is not just being hurt by the reduction of the money supply; there is also a good supply of vegetables and other foodstuffs at good prices, which the people are taking advantage of, and they are consequently buying less bread.

He indicated that some bakeries have had to scale back production and work two days less a week.

He said that they are thus trying to see how long they can endure the economic depression besetting the country at the moment.

He added that if the crisis continues, some bakery owners may decide to leave the business.

He indicated that although bakeries have not closed, they have had to cut back on staff to adjust to their levels of sales. [passage omitted]

He reported that at present bakers are not having trouble with supplies of the raw material; what is hurting the sector, rather, is the fall in demand for its products.

* CIECA Reports Growing Poverty, Indigence

91CA0155H Santo Domingo EL SIGLO in Spanish 20 May 91 p 1-D

[Report by Mozart de Lancer]

[Text] The living standards of Dominicans have been falling steadily since 1984 as a result of the austerity program that followed the signing of an agreement with the International Monetary Fund and, later on, an investment policy that has led to a record drop in the Gross Domestic Product (down 5.2 percent), combined with our highest inflation rate (100.2 percent).

The Center for Economic Research (CIECA) states this in its publication NOTAS DE COYUNTURA, issue 17, of 19 May, in which it provides figures on poverty, indigence, and the distribution of income up to 1989, as the government is moving toward another accord with the IMF.

By 1989 the Dominican Republic had 3.2 million poor, 2.1 million of whom lived in indigence; that is to say, they were not consuming the minimum number of calories and protein contained in the lowest-cost foods in the national diet.

The publication on "the distribution of income and poverty" indicates that in 1989, 57 percent of all Dominicans were poor, in other words, six out of 10, while 30 percent were indigent, three out of 10.

In observing trends over time, the economists estimate that poverty increased between 1984 and 1989 from 47 to 57 percent, while indigence practically doubled from 1.1 to 2.1 million, in other words, from 16 to 30 percent of all Dominicans in these two years.

As for the concentration of income, using reports from government institutions and international organizations as their source, the CIECA economists reveal that in March 1989 the poorest 20 percent of Dominicans received just 2.66 percent of national income, whereas the richest 20 percent received 60.7 percent.

A table comparing cumulative income among households for the years 1976-77, 1984, and 1989 indicates that in the first year 90 percent of all households received 64 percent of national income, which implies that the remaining 10 percent accounted for 36 percent of income.

"By 1989, however, the situation had deteriorated, as 88 percent of all households received 55 percent of total income, which implies that 12 percent of households accounted for 45 percent of total income."

To gauge the degree of income concentration the CIECA economists also used the so-called "Gini coefficient" as a base; distribution improves as this coefficient approaches zero and worsens as it approaches one.

Based on this method, they established that in 1989 income distribution worsened (Gini coefficient of 0.495), compared to 1976-77 (0.451), whereas the 1984 data show a slight improvement (0.423).

Feeling that an equitable income distribution is needed, the specialists advise "giving back to the poor what has been taken from them" by reversing the income distribution up to now. In other words, "a rich person ought to get little, and a poor person ought to get much more."

"...What is even worse, we must remind the negotiators who decide on austerity measures that they are among the richest 10 percent of the population and that the IMF negotiators make between 40 and 70 times (if not more) the minimum wage of a Dominican. Between the two of them they will decide on austerity measures for a population in which six of every 10 are poor and three of 10 are indigent. We hope that this time the story is different and that austerity does not make the rich richer and the poor poorer."

* 70 Million Tons of Nickel Projected

91CA0155E Santo Domingo EL SIGLO in Spanish 7 May 91 p 1-D

[Report by Jose Mercedes Feliz]

[Excerpts] The president of Falconbridge Dominicana, John T.H. Clelland, reported yesterday that during the first quarter of this year the company produced more than 17 million pounds of nickel, which means that output is in line with projections.

He said that this output enabled close to 18 million pounds of nickel contained in ferronickel to be exported. Falconbridge plans to produce 70 million pounds of nickel this year.

In statements to EL SIGLO Clelland remarked that the company's future in the Dominican Republic is "promising."

He stated that so far everything is going well and in keeping with the program that has been charted. He revealed that prices have remained between $3.90 and $4 a pound.

He contended that this price could be described as stable, and he thinks that it will stay at this level for several months.

He clarified, however, that there is still concern about consumption in the industrialized countries, inasmuch as if demand there declines, the Dominican Republic could be affected. [passage omitted]

In 1990, Falconbridge exported 30,557 metric tons of ferronickel, in other words, 67.4 million pounds, up five percent from the previous period.

The average price paid for ferronickel in the recently concluded period was $3.89 a pound, compared to $5.83 in 1989.

The production of nickel in ferronickel in 1990 was 28,701 metric tons, or 63.3 million pounds, about 10 percent below normal, owing to maintenance shutdowns.

Haiti

Gen. Abraham Resigns; High Command Reshuffled

FL0307202991 Port-au-Prince Radio Nationale in Creole 1300 GMT 3 Jul 91

[Text] The commander in chief of the Army has resigned and the Army High Command has been reshuffled. The commander in chief of the Army, General Herard Abraham, says it is time for him to retire. He has been temporarily replaced by Gen. Raoul Cedras, according to a communique issued by General Headquarters.

Gen. Abraham is 51 years old, one of the most liberal Haitian officers. He is considered to have been the primary force in establishing democracy within an Army that had always been a servant to dictatorship. When AFP asked him the reasons for his resignation, the general replied that the reasons are personal.

Gen. Cedras is 42 years old, also a liberal. He has been chief of general staff and was responsible for security during the December elections won by President Aristide. He has now been appointed acting commander in chief of the Army. This appointment is provisional pending Senate approval.

Colonel Alix Sylva has been appointed acting assistant commander in chief, replacing Gen. Andre Jean-Pierre. Col. Sylva had been General Headquarters' Infantry commander, as well as chief security officer for the president. Lieutenant Leocles P. Arne will replace him as Infantry Unit commander at General Headquarters.

Additional Army High Command appointments include: Col. Joseph Lemoine Florestant, acting chief of general staff; Col. Michel Louis, Army inspector general; and Lt. Col. Pierre Cherubin, head of the Port-au-Prince police, replacing Col. Ramus Saint-Vil, now director of the military academy. Six other appointments have been made within the Army High Command general staff.

* PAN Leader Faults PRI Candidates' Actions

91CA0164A Mexico City UNOMASUNO in Spanish 6 Jun 91 pp 3, 5

[Gonzalo Altamirano Dimas commentary: "Truncated: The Political Decorum Pact"]

[Text] The political decorum pact signed by most political parties and the administration obliges the signatories to conduct themselves in accordance with the law and to acknowledge the principle of equity among electoral competitors. The basic purpose of the pact is to promote law and order, with an explicit rejection of violence, during the campaign that is under way.

The principle of law is so important that the mayor himself, Manuel Camacho Solis, has ordered the Federal District administrative division heads to refrain from using Treasury funds to support any political campaign, with the exception, naturally, of the cases provided for in the law itself.

Federal District administrative division heads and officials had been giving indiscriminate aid on a daily basis to PRI candidates. By now this practice should no longer exist, but past performance and our well founded doubts prevent us from acknowledging that this sort of conduct has ended. Besides the order issued by the mayor to the administrative division heads, we should note that the Penal Code imposes severe penalties on public officials who siphon off Treasury funds.

Each PRI candidate will reportedly get at least 500 million pesos in support, and if to this we add the support from the administrative division heads and the DDF [Department of the Federal District] itself, the opposition will be at a disadvantage in the electoral competition, as they will have far less funding and support.

The various parties and administrative division heads have been signing political decorum pacts in several Federal District administrative divisions, and their terms are similar to those in the pact signed by the mayor and party leaders in the DF. Perhaps this reflects the interest of some administrative division heads in guaranteeing legal elections and in having the parties commit themselves to the law.

The political decorum code is turning out to be lame because it does not contain clear provisions prohibiting candidates from trying to win votes by promoting projects before the Federal District administrative divisions or the DDF itself. In our judgment, it ought to be the people's representatives, assembly members, or deputies who make these efforts vis-a-vis the authorities. To leave this up to the candidates is to openly favor PRI, inasmuch as past performance shows us how DDF authorities and the PRI candidates themselves behave. Speaking of such efforts, we should also include the inauguration of public works and services and, in general, all actions by the authorities vis-a-vis the community that involve meeting or channeling social demands.

The opening of dairy-products outlets, and the provision of tortilla coupons, public documents, and water and sewage services, among others, are some of the matters that DDF administrative division heads and authorities handle in conjunction with PRI candidates. This could be viewed as unrelated to elections, but it goes on precisely in the context of elections and is entrusted to ruling-party candidates.

Mayor Camacho Solis ought to respond to these proposals, the essential purpose of which is merely to insure fairness for all competing parties. It seems, however, that the DDF will by such means be supporting PRI candidates, mainly Manuel Aguilera, the senatorial candidate, who has stated without the slightest embarrassment that during his campaign he would become an advocate for the citizenry. Obviously, the doors to all of the DDF's administrative divisions and agencies are being opened wide to him, inasmuch as he served as secretary general of the DDF in the recent past.

The political decorum pact will make no sense and prove ineffective unless the city government pledges to see to it that no official or administrative division head handles a matter or inaugurates a public work along with candidates for elected office. As we have already said, this is the job of sitting deputies and assembly members, not those who are seeking these posts and who rely illegally on the capital-city government. The campaigns have already begun, and the mayor's office has maintained complete silence on this issue.

* Rights Leader Defends San Luis Potosi Pact

91CA0164B Mexico City LA JORNADA in Spanish 5 Jun 91 p 5

[Sergio Aguayo Quezada commentary: "Distrust and Democracy"]

[Text] Public opinion polls confirm that governmental institutions have little credibility. In 1990, for example, only 18 percent of Mexicans believed in them (ESTE PAIS, May 1991). Elections and the outcome thereof are doing no better. Such distrust benefits no one because it reflects a deterioration in social morale that fosters cynicism and voter abstention.

In light of such a clear-cut diagnosis, urgent measures must apparently be taken to restore confidence in elections. Many countries use common sense to achieve credibility. In other words, since the parties are (and have to be) adversaries, electoral officials who are independent of the parties are appointed so that they can guarantee the impartiality of the electoral process and its results. Since in Mexico the government and the party have ultimate control over the process and its results, the situation becomes complicated because, as I said before, governmental institutions have little credibility. It follows, then, that elections in Mexico are not contests between parties but rather clashes between parties and the government. From this fact stems much of the mistrust that characterizes our political culture.

The right to have free, clean, and impartial elections (in a word, trustworthy ones) is enshrined in the main human-rights declarations and conventions. On this basis, on 25 May the Mexican Human Rights Academy (which for the moment I head) and the San Luis Potosi Human Rights Center signed a wide-ranging cooperation agreement. One of its paragraphs provides for a commitment to promote, to the extent possible, political rights at the 18 August elections in San Luis Potosi. Among the activities in preparation are the establishment of groups of Mexican observers, a rapid vote count by an independent public-opinion firm, and a technical analysis of the indelible ink used in the electoral process.

One San Luis Potosi journalist, Javier Rodriguez, devoted his 29 May column in the San Luis Potosi paper PULSO to a critique of the agreement. "This is a farce," he wrote, "through which clever opposition activists are endeavoring to deceive public opinion." In his opinion, the academy and the center are not impartial, his proof being that Jose Herrera Marcos is the president of the San Luis Potosi Human Rights Center and that the rapid vote count has little validity because it allows the outcome of an election to be inferred from a sample of polling places. What the academy and the center are after, he concludes, is "a way of making publicity for themselves, of setting themselves up as an agency parallel to the electoral authorities that will spread fragmentary and biased reports."

Such assertions lend themselves to all sorts of replies. For our part, we have decided, initially, to view his attack as a natural consequence of a political culture that is tinged with mistrust, heightened in this case by the polarization in San Luis. If one of the objectives of the program is to combat this culture, we cannot (must not) respond in the same tone (for example, by accusing the columnist of partisan favoritism). So, we have chosen to divide up our response.

On the one hand, in a lengthy document the San Luis Potosi Center has already refuted in detail the charges against its president. On the other, we wrote a letter to the editor of the newspaper PULSO, Juan Jose Rodriguez, and asked that it be published. In it, besides explaining the nature of the rapid count, we stressed that one of the tasks of the program is "to overcome the mistrust of the contending candidates" and to show, with this work, that we are "in favor of democracy, not a party."

To demonstrate how seriously the work is being undertaken, we mentioned that before the agreement was signed, the San Luis Potosi Center "decided to ask for the resignation of those of its members who had been nominated for electoral office or who had any responsibility in election campaigns." A total of 15 members of the San Luis Potosi Center resigned, all of them from the opposition because when the center was established, no PRI official or member agreed to be part of it.

Consequently, we asked the editor of PULSO for his paper's understanding and requested an opportunity to explain to him in greater detail what we wanted to do. We also extended an invitation to the editor (or to whomever he might appoint) to join the groups of Mexican observers that we plan to form. Unfortunately, a week has passed, and the editor of this paper has still not published our letter (nor has he responded to our phone calls asking to talk with him). In the end we decided to publish it as a paid insert in two papers: PULSO and EL SOL.

In one of the many verbal skirmishes over the controversial international observers, the governor of Sinaloa, Francisco Labastida Ochoa, said a few months ago that "the best observers are Mexicans themselves, I think," he said, "that our system is mature enough and has grown enough to do things itself."

Agreed, and the program of the academy and the center is an experiment that seeks to prove (or disprove) his assertion. The uncertainty as to whether we will secure the required funds (a public fund-raising campaign will be conducted) is compounded by the difficulties of putting together complicated logistics and training the participants technically.

But to judge by the initial public response, the hardest part will be overcoming the mistrust of people who are reluctant to believe (or at least to give the benefit of the doubt) that civilian society wants to help build democracy and that the inclination will be not to favor the parties but instead to be faithful to principles.

Costa Rica

Government Workers Begin 24-Hour General Strike

PA0307172391 Mexico City NOTIMEX in Spanish 1935 GMT 2 Jul 91

[Text] San Jose, 2 Jul (NOTIMEX)—Thousands of government workers began a 24-hour general strike today to protest the government's economic policy.

Hundreds of workers picketed the U.S. Embassy, which is 5 km from the capital, to protest the International Monetary Fund (IMF) and the World Bank's intervention in the government's economic policy.

The protests against the government come as a reaction to the dismissal of over 7,800 government workers, the rise in the cost of living, and the government's refusal to increase salaries in the same proportion that inflation has grown.

Security Minister Victor Emilio Herrera said on 1 July that the Civil Guard has placed strict control measures throughout the capital.

Herrera pointed out that three groups of government workers had formed on the outskirts of San Jose during the morning, and that the Civil Guard had set up roadblocks to prevent the workers from isolating the city.

The minister said that the authorities will not act against the demonstrators, but will not allow roads to be closed either.

Early this morning large groups gathered in the poor neighborhoods in the southern and western sections of the capital to move toward Central Park, where the main concentration of workers was planned.

Several state clinics suspended some of their medical services and clinic personnel stood at the entrance of the buildings displaying banners and signs.

Presidency Minister Rodolfo Mendez Mata said that the government admits "that there are serious problems in the public sector that affect the workers."

He said that the government has decided to reinforce dialogue with the union movement during the next few days, "after today's strike has ended." Mendez stated that the government will look for solutions to the problems to bring social peace back to the country.

President Rafael Angel Calderon described the protest as a "political movement" and asked the unions "not to divide the people of Costa Rica, as this is not the right time for politics."

The capital city's taxi drivers made their protest for higher insurance policy prices coincide with the government workers' strike.

Hundreds of taxis blocked off access routes to the National Insurance Institute and the Ministry of Foreign Relations for two hours. They left after being pressured by traffic authorities.

El Salvador

Cristiani on Remarks by Representative Moakley

PA0407203691 San Salvador Radio Cadena Central in Spanish 1230 GMT 4 Jul 91

[Passages within quotation marks are recorded]

[Text] President Alfredo Cristiani has said that U.S. Congressman Joe Moakley's assertion that there are more people involved in the mass murder of the Jesuit priests should not be interpreted that way. Cristiani reiterated that the crime can not be classed as institutional simply because it was carried out by some Armed Forces elements.

[Cristiani] "I share General Rene Emilio Ponce's views that this was not an institutional crime. Instead, this was a crime committed by Armed Forces members who acted alone, and not following orders from the High Command. To say the contrary at this moment would be very bold. Whether there are others involved is something we do not know. We have always said we cannot rule this out, but neither can we say the contrary for sure. To be able to say something like this, we would need additional evidence regarding what has happened or what could have happened. We have always said very clearly that if we are able to find and confirm evidence that others had participated—whoever they may be—we would immediately include this evidence. Up to now, however, nothing we have tried to investigate has yielded any evidence or proof that implicates other people."

Cristiani added that the fourth Penal Court that is hearing the case has continued with its investigations, however, he said it could not be categorically stated whether or not more persons are implicated in the crime.

[Cristiani] "I think that everything possible has been done, with or without the arrival of Representative Moakley to our country. The topic has been dealt with both at the judicial level and the investigative level, to see what else could be found or how to build up what we already have so far so that justice is done in this case. I do not truly believe that he came here to modify what has been already done, with the intention of [words indistinct]. In this regard, as he has said, there is no new evidence or lack of evidence, and that is how things stand right now. Additional evidence has not been found to confirm or to deny the theory that there are more persons implicated."

Meanwhile, the Salvadoran president said that the recent military aid to El Salvador will not have an effect on the negotiation process. Nevertheless, Cristiani said that the

FMLN could step up its military action by using as an excuse the military aid which was recently granted.

[Cristiani] "The FMLN always looks for an excuse to justify violence. The fact is that all along we have seen that with or without a specific event they have always continued with their violent actions. We therefore believe that the FMLN still has not understood that it must stop the violence. There are perhaps some members among them who continue fostering violence. Nevertheless, this is only an excuse to continue doing what they have always done, and they presume they will not be blamed for their actions. It has been made very clear that additional new aid has not been approved. This aid had been approved by the U.S. Congress since last year and 50 percent had been kept frozen until certain requirements had been fulfilled. In January, President Bush said that the FMLN had not fulfilled the Congress's requirements or conditions [word indistinct], and this is why this amount was released. Since that time aid could be sent. What has been sent now is non-military supplies to cover the needs that the Armed Forces always have."

To conclude, Cristiani reported that UN Mediator Alvaro de Soto is probably coming to El Salvador to talk over with the government the progress in the peace negotiations.

More Reaction Reported

PA0307231691

[Editorial Report] San Salvador Radio Cadena Horizonte in Spanish at 1200 GMT on 2 July carries a six-minute report on remarks by Father Tojeira, Jesuit rector for Central America, who characterized as positive U.S. Representative Joe Moakley's visit to El Salvador and the pressure put on Salvadoran authorities by the U.S. Congress. Tojeira states: "I believe that to condition the aid on the investigation is a means of pressure, but the U.S. President never really took this too seriously, now or ever. What they are interested in—the Bush administration and the embassy here—is their own policy, which they have carried out over the 10 years during which they have financed the war—this type of pressure is of no interest to them at all. The Bush administration is against this kind of pressure and they take advantage of any incident, such as the death or murder of U.S. military advisers to dismantle this pressure mechanism on the Salvadoran Government." The station notes that Tojeira said that if it were not for the U.S. Congress, the Jesuit case would already be a thing of the past and forgotten, as has happened in so many other cases. The Jesuit, according to the station, "accuses the CIA of hiding the truth about the Jesuits murder case," as information is missing. To conclude, the station notes that Tojeira said that he believes that Judge Zamora will try the nine military officers accused of murder, however, he also demands from the government and the Armed Forces guarantees for the people who comprise the jury, as they could be subjected to death threats.

Later on 2 July, at 1800 GMT, the same station carries a four-minute report on comments by Defense Minister General Emilio Ponce on U.S. Representative Joe Moakley's statements yesterday. According to the report, Gen. Ponce assured that Moakley's comments, implicating high-ranking members of the military in the Jesuit massacre, are based on rumors. Ponce, according to the station, said: "Those statements reflect how the Jesuit case has been politicized." In an interview, Ponce is asked his opinion of Moakley's remarks that there are people involved in the Jesuit case who have not yet been accused. Ponce replies: "These statements are based on presumptions, rumors, and prejudices, but there is no evidence and there is no proof." According to Ponce, the Armed Forces have tried to resolve the Jesuit case, which is reflected in the 200 Armed Forces members who have testified at the trial. Meanwhile, the station reports that the defense minister has accused the rebels of using the $21 million granted by the United States in military aid as a pretext to increase violence. The report concludes by saying that, according to Ponce, if the FMLN (Farabundo Marti National Liberation Front) launches a new all-out offensive, they will be defeated and this would demonstrate to the community their intention to extend the war and delay the signing of a peace agreement.

At 1730 GMT on 2 July, San Salvador Radio Cadena YSKL in Spanish carries a five-minute station commentary on Joe Moakley's visit to El Salvador. The commentary states that "when the Americans speak, particularly government officials, it is because they know what they are talking about and they have important information." The announcer said that Moakley, according to his own statements, is convinced that the 1989 Jesuit murder case was ordered by high- ranking military officers who still have not been accused and that the High Command knows the unit responsible for the crime and have therefore blocked a thorough investigation to protect certain officers. Once again, notes the station, "Salvadoran justice is seen as faring very badly," when the Americans have to come here to confirm, to ascertain, and to certify that "Salvadoran justice is more tangled than a ball of yarn." The station contends that "when the Americans open their mouths, they know, and they know plenty," because when they leak out bits of news, it is because the Bush administration wants justice to prevail so that no one in this country flouts the law. Congressman Moakley has come to tell us what the authorities, the judges, the prosecutors, the plaintiffs, and the defense should be telling the Salvadoran people, the station claims. The commentary ends by saying that it is time for impunity to end in El Salvador.

San Salvador Canal Seis at 0200 GMT on 2 July carries a two-minute report on Supreme Court President Mauricio Gutierrez Castro's disagreement with Congressman Joe Moakley's comments that there are others involved in the Jesuit case. The report notes that Gutierrez Castro had said that during the meeting that morning, Moakley expressed his doubts as to who is responsible and said that in his opinion this issue is not resolved. Gutierrez Castro says that Moakley claims that "more persons

participated in the Jesuit murder, but that he did not have any evidence." Gutierrez Castro says that the commission in charge of investigating the case did not find any other people involved, however, should more evidence surface, it will be presented at the trial.

Commentary Calls U.S. Aid 'Wrong Signal'

PA0307200791 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 3 Jul 91

[Station commentary]

[Text] Apparently there are two different positions within the U.S. Government in regard to its foreign policy: One is reasonable, and the other irrational and completely (?ideological). The first one, which is based on reality, is maintained by many congressmen like Moakley, who, after thoroughly analyzing the Jesuits' case, has concluded that the masterminds of the mass murder are being protected by their positions in the High Command to go unpunished. In sum, as Representative Moakley has said, the institution headed by General Ponce is totally responsible for the mass murder of the Jesuit priests.

The irrational U.S. position, based on worn-out [word indistinct] criteria managed to unfreeze part of the aid to the Salvadoran generals at a critical moment in the negotiations when encouragement for peace, and not dollars for war, was needed.

Following the U.S. announcement of the delivery of half of the frozen aid, we saw Ponce speaking on television in a different tone and a hardened look in his face. He adopted a defiant attitude toward the FMLN [Farabundo Mati National Liberation Front], and in fact the government has intensified its repression against the expressions of social discontent.

The wrong signal from the White House to those who masterminded the mass murder of the Jesuit priests could bury the international clamor for justice in the case.

As for the repercussions it could have on the negotiations, various sectors have already noted that it will foster a warmongering attitude in the [word indistinct], who will try to delay agreements on demilitarization and the investigation of past crimes, as already agreed [word indistinct].

President George Bush recently asked: How many more Salvadorans will have to die before a cease-fire is agreed upon? This, in part, will depend on your foreign policy toward El Salvador, Mr. Bush. It will depend on the next signals that the U.S. Government sends to those who masterminded the mass murder of the Jesuit priests, because those murderers are the main obstacles to peace in El Salvador.

FMLN on Overflights by U.S. 'Spy Planes'

PA0307194691 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 3 Jul 91

[Report by Radio Venceremos mobile unit in Morazan Department—live]

[Text] This morning, U.S. planes overflew the Department of Morazan. Recently, the U.S. State Department approved the delivery of U.S. military aid, which had been frozen for nearly a year, to the Salvadoran antidemocratic Armed Forces. This measure was adopted by President George Bush based on the direct advice of Elliot Abrams, U.S. deputy assistant secretary of state for inter-American affairs, as well as the Central American Section, which are remnants of the administration of President Ronald Reagan. These agencies still believe there is a possibility of militarily defeating the FMLN [Farabundo Marti National Liberation Front].

This measure has also given courage to the Armed Forces of our country. In this regard, before the national and international communities, as well as the press, we denounce the following: This morning two long-range [largo alcance] spy planes, an AC-130 and a [words indistinct], which left from the U.S. military base of Palmerola in Honduras, overflew territories under the control of the FMLN in the northern part of Morazan Department. These operations are aimed at preparing new offensive actions against the FMLN-controlled territories by identifying the movement, camps, and areas of communication of the FMLN.

These kinds of air espionage activities have intensified in the last few hours over several areas controlled by the FMLN throughout the country. This logically leads us to believe that, resulting from the disbursement of the U.S. military aid, the government and the Armed Forces have reinforced their crazy idea to step up the war by betting on the military defeat of the FMLN.

FMLN Rebels Renew Attacks on San Salvador

PA0307211891 Paris AFP in Spanish 2027 GMT 3 Jul 91

[Text] San Salvador, 3 Jul (AFP)—The urban guerrilla groups of El Salvador reactivated their armed actions in the capital, where they attacked a military vehicle, an Army building, and an electric substation. It was reported by official sources that clashes in the countryside resulted in at least eight dead and more than 12 wounded.

Army spokesmen indicated that urban guerrilla commandos attacked a National Police patrol with explosive devices in the Miramonte residential area, located northwest of the capital, resulting in one dead soldier and three wounded.

The action occurred at 0600 today, at a time when other urban guerrilla members attacked with explosive devices

a building of the Military Civic Action, an Army-dependent agency, located in the northern zone of the capital, causing no casualties, only damage.

Early this morning the guerrilla groups also attacked an electric substation in Soyapango, located in the eastern outskirts of San Salvador, where the explosion of three devices caused damage, but no casualties, the report added.

Meanwhile, a guerrilla spokesman said, in a telephone call to YSU Radio, that the actions were carried out "in retaliation for the Army's operations" in zones under rebel control, particularly in Chalatenango and Usulutan Departments, located in the country's northern and eastern areas, as well as in Guazapa Hill, located 35 km from San Salvador.

Furthermore, the Armed Forces Press Committee (Coprefa), reported that elite Bracamonte Battalion troops killed five and wounded three Farabundo Marti National Liberation Front (FMLN) soldiers in clashes at Guazapa Hill, where an Army member also died and nine others were wounded.

Likewise, Clandestine Radio Venceremos, the FMLN station, reported that two military members died and three were wounded during a guerrilla attack on Treasury Police forces in Villa Victoria, located in central Cabanas Department.

Guatemala

Bomb Explodes Near Ministry, No Casualties

PA0307150791 Panama City ACAN in Spanish 1422 GMT 3 Jul 91

[Text] Guatemala City, 3 Jul (ACAN-EFE)—The police reported today that a powerful bomb exploded last night near the Urban and Rural Development Ministry, but did not cause any casualties. They also said another bomb was defused by special agents.

The police said the bomb, which exploded near the Development Ministry in southern Guatemala City, shattered windows of houses in the area.

According to the police, the bomb was hurled by a group of men traveling in a van.

A short time later, agents of the Police Explosives Section defused another bomb, found a few meters from the site of the explosion.

Prem: Country Acting as Drug 'Warehouse'

PA0307135391 Guatemala City SIGLO VEINTIUNO in Spanish 30 Jun 91 p 3

[Text] Government Minister Fernando Hurtado Prem has said that "our country has become a cocaine warehouse over the last few years because a large part of the drugs that enter the country do not leave at the same speed."

Hurtado Prem said that although it is hard to establish the amount of drugs entering the country, government estimates state that 70 kg of cocaine are smuggled into the country every day by air, land, or sea.

He added that the most disconcerting fact about this situation is that a large part of the drugs are being stored in the country and "we have passed from being a bridge to being consumers."

Hurtado Prem expressed his concern about this, adding: "We will not let our guard down in the fight against drug trafficking."

The official said that the activities against drug trafficking will be stepped up with the modern equipment recently donated by the British Government. The new equipment will enable authorities to detect drugs hidden in special compartments in vehicles.

Regarding cocaine seizures during the present year, Hurtado Prem said that the total value surpasses $23 million and that Guatemalan, Colombian, Panamanian, and U.S. citizens involved in drug trafficking activities have been turned over to the courts.

The last seizure was carried out by the Finance Police on 6 June, when the crew of a U.S.-licensed plane was arrested with 6.1 kg of cocaine.

Honduras

Government, Labor Unions Agreement Reported

PA0507055091 Tegucigalpa Voz de Honduras Network in Spanish 2340 GMT 4 Jul 91

[Text of National Concerted Agreement signed in Tegucigalpa on 4 July—read by announcer]

[Text] Tegucigalpa, 4 Jul, 1991

The undersigned, Rafael Leonardo Callejas Romero, constitutional president of the Republic, on behalf of the executive branch; Rodolfo Irias Navas, president of the National Congress, on behalf of the legislative branch; Felicito Avila Ordonez, on behalf of the General Workers Federation, CGT; Francisco Guerrero, on behalf of the Confederation of Honduras Workers, CTH; Israel Salinas Elvir, on behalf of the Independent Federation of Honduran Workers, FITH; Hector Hernandez Fuentes, on behalf of the United Federation of Honduran Workers, FUTH; Ines Fuentes, on behalf of the Coordinating Council of Honduran Peasant Organizations, COCOCH; Marcial Reyes Caballero, on behalf of the National Peasant Coordinating Board for Development, CONACADH; Amilcar Tome, on behalf of the Association of Honduran High School Teachers, COPEMH; Jose Nahun Calix, on behalf of the Confederation of Honduran Cooperatives, CHC; and Vicente Williams, on behalf of the Honduran Council of Private Enterprise, COHEP, met at the Presidential Palace to issue the agreements which have been approved within

the national concertation process that is sponsored by the executive branch to effectively implement Article 5 of the Constitution of the Republic; and we state that we have agreed to the following:

1. Taking into consideration that the state has the obligation to adopt measures to ensure that the inhabitants of the Republic will enjoy the benefits of justice, and economic and social welfare; and that both the business and labor sectors coincide on the need to join efforts to guarantee and strengthen progress in Honduras; we pledge to maintain a permanent national concertation process to render viable the definition and achievement of important goals in the country.

2. As a result of the above—and recognizing that it is necessary to recover and maintain the purchasing capability of current salaries, because it is essential for the lives of an important sector of the economically active population of the nation—we have agreed to adjust minimum salaries that workers must receive effective on the dates stated in Executive Decree 28-91.

Studies were conducted and they showed that the condition of our national economy does not allow, for the time being, more than an adjustment of the minimum salaries to restore their purchasing capability in relation with the basic family basket. Therefore, we have pledged to strive through the Minimum Salary Commission to make, as soon as possible, the changes and increases that are advisable based on our reality.

We have also agreed to gradually and progressively eliminate the zones in which the national territory is divided for minimum salary purposes; to create a salary scale according to economic activities and classified according to the production sectors, to establish a single minimum salary for the entire country.

3. We have agreed that it is good to issue a decree of broad and unconditional amnesty so that all persons sentenced, tried, or about to be tried in any court or tribunal of the Republic on charges of attempting against the state's security and related common crimes described in Criminal and Military Codes can be released and enjoy all of their personal rights. In this way, we wish to contribute to the restoration of normalcy in family relations and preserve a climate of peace in the country in accordance with the Honduran people's democratic aspirations.

The Concerted Effort document also says: Special attention was given to the situation of numerous peasants who are being held at various prisons in the country. We agreed that all those who might be benefited by the amnesty decree can return to their usual productive activities to strengthen the agrarian concerted effort process.

4. We hereby testify that we will continue to make every effort to expand the scope of the national concerted effort because we are sure that in this way we will strengthen the participatory democracy.

The final paragraph says: With this purpose in mind, in coming meetings we will debate short-term, medium-term, and long-term subjects which, because of their importance, require the cooperation and goodwill of all sectors of the country.

Signed at the Presidential Building's Blue Room at 1600: Rafael Leonardo Callejas, constitutional president of the Republic; Rodolfo Irias Navas, president of the National Congress; Felicito Avila Ordonez, CGT; Francisco Guerrero, CTH; Israel Salinas, FITH; Hector Hernandez Fuentes, FUTH; Ines Fuentes, COCOCH; Amilcar Tome, COPEMH; Marcial Reyes Caballero, CONACADH; Jose Nahum Calix, CHC, and Vicente Williams of the COHEP.

Panama

Shots Fired at Vehicle Carrying Endara's Grandson

PA0507004491 Panama City ACAN in Spanish 2345 GMT 4 Jul 91

[Text] Panama City, 4 Jul (ACAN-EFE)—An official source who asked not to be identified announced today that unidentified persons fired shots at a vehicle used by Javier Yap, President Endara's only grandson, in the Panamanian capital last night.

The source told ACAN-EFE that Endara's two-year-old grandson had been taken by a nursemaid and security agents to visit his paternal grandparents, who are of Chinese origin, and that the shots were fired at the vehicle shortly after it arrived at the grandparents' residence on the outskirts of the capital.

Fearing that this may have been an attempted attack on the president himself, his closest aides have asked him to redouble his security measures.

President Convenes Assembly Sessions on Treaty

PA0307194491 Panama City LA ESTRELLA DE PANAMA in Spanish 3 Jul 91 pp 1, A-2

[Executive Decree No. 211 issued by President Guillermo Endara in Panama City on 2 July]

[Text] Executive Decree No. 211 of 2 July 1991

"By which the executive branch convenes the Legislative Assembly to special sessions."

The president of the Republic, by virtue of his constitutional and legal powers,

Whereas:
The ordinary period of legislative sessions that has just ended left pending for approval or rejection the bill "by which the treaty between the Republic of Panama and the United States of America on mutual assistance on criminal affairs is approved";

The Panamanian Government wants to establish more effective cooperation between states in the investigation, prosecution, and suppression of serious crimes, such as drug trafficking;

In accordance with the second paragraph of Constitutional Article 143, it is the executive branch which convenes the Legislative Assembly to special sessions;

Decrees:
Only Article:
The convening of the Legislative Assembly to special sessions for a maximum period of 10 days, beginning on 8 July 1991, to debate the bill "by which the treaty between the Republic of Panama and the United States of America on mutual assistance in criminal affairs is approved."

Issued in Panama City on 2 July 1991.
Be it promulgated and published
President Guillermo Endara Galimany
Government and Justice Minister Juan Chevalier

PRD Members Turn to Fidel Castro for Advice

PA0307133191 Panama City LA PRENSA in Spanish 2 Jul 91 p 26a

[From the "In A Few Words" column]

[Text] Fidel Castro is about to assume his role as a madame in Havana. He talked with Lucho Gomez [former Democratic Revolutionary Party, PRD, legislator in the Noriega regime who is currently under political asylum in Cuba] about the need for the PRD to continue working without Noriega and they agreed on a strategy to recover power in Panama. The other set of Castro brothers [referring to Nils Castro, who is the PRD's international relations secretary general, and his brother Guillermo Castro] will be in charge of the political front. Lucho then went to Santo Domingo, Dominican Republic, and after visiting Manuel Noriega's wife Felicidad, held a meeting with Federico Olechea [former major and Defense Forces Battalion 2000 commander]. Some time later, they both went on a working tour.

On another matter: The vacuum at the Public Force [FP] is being filled by Majors Dario Arrue [FP deputy director general], German Pinzon [FP planning director], and Ruben Rodriguez [institutional development director], and they are trying to push the only civilian out of the FP Directorate [referring to FP Director General Gonzalo Menendez Franco].

Argentina

Defense Minister Denies Air Force 'Purge'

PY0507020291 Buenos Aires TELAM in Spanish 1418 GMT 4 Jul 91

[Text] Buenos Aires, 4 Jul (TELAM)—Concerning the arrest of the Air Force deputy chief of staff, Tomas Rodriguez, ordered by Brigadier Jose Julia, Air Force chief of staff, Defense Minister Antonio Erman Gonzalez said today: "It merely represents enforcement of the rules and regulations."

Erman Gonzalez said the measure was taken by the Air Force chief of staff in view of a situation that represented "indiscipline and contention raised outside appropriate channels."

On the other hand, the defense minister denied the existence of a "purge" in the Air Force. In this regard, he said: "It involves putting things in their place and not allowing the institution or its officers to go beyond their normal limits."

In remarks for a radio station, this was how the minister assessed the situation in the Air Force, where the chief of staff has punished two brigadiers and three commodores for mistakes in a bid for the purchase of ILS [expansion unknown] equipment for air navigation security. The Air Force chief of staff ordered house arrest for the Air Force deputy chief of staff after connecting him to an alleged crime involving the direct purchase of spare parts for airplanes.

Gonzalez said: "The Air Force chief of staff has taken measures that undoubtedly seem to be drastic, but, in the first case, they are the result of actions carried out and conducted by the Air Force deputy chief of staff, the conclusions mention violations of certain administrative and accounting rules and regulations."

Asked about the house arrest imposed on Brig. Rodriguez, the defense minister said: "Although it arouses a certain concern about the normalcy of administrative actions, the way this issue has been raised involves a certain amount of indiscipline, a dispute with the Air Force deputy chief of staff. This falls within the jurisdiction of the Air Force chief of staff."

The minister explained: "Both cases are still open to claims and considerations that must first be submitted to the defense minister and then to the president of the nation, if requested by the punished officers."

Gonzalez added: "According to the Air Force organization chart, an administrative commission, which has not yet acted in either case, is above the Air Force chief of staff. This action has not yet been confirmed. It has not been implemented. Before implementing this action, proceedings were carried out for the first case and, for the second case, a proceeding has been ordered to determine the correctness of the procedures."

Asked whether both Brig. Rodriguez and Brigadier Hector Sambrizzi, the Air Force attache to the United States, who is also one of the officers being punished, should apply for their retirement, Gonzalez responded: "It is not mandatory. It is sometimes customary. Ethics are used to some extent, but it is not written in any rules or regulations."

The minister supported Brig. Julia, pointing out: "Officers will be supported by their superiors as long as they abide by and enforce the law."

According to the minister, "we should be more concerned when no action is taken, when actions are neglected." In this regard, he stressed: "Rules and regulations are being enforced. Otherwise, we should not be surprised if some area chief fears a crisis or instability while enforcing rules and regulations. If so, we should indeed feel concerned because then we would be returning to the old Argentina and this is not the case."

Menem Calls Problem 'Administrative'

PY0507022691 Buenos Aires Radio Nacional Network in Spanish 1600 GMT 4 Jul 91

[Text] President Carlos Menem commented today on the situation in the Air Force. He said he is waiting for the development of events. He added: If I have to intervene, I know what to do. Menem said this issue will be completely resolved today.

As for the sanctions imposed on two generals, Menem said this case involves an administrative problem that has nothing to do with corruption. Therefore, he said, there are no elements to make military officials take this case to court.

Peronist Trade Union Supports Political Wing

PY0507010491 Buenos Aires BUENOS AIRES HERALD in English 2 Jul 91 p 1

[Text] (NA-DYN)—The Peronist trade union movement yesterday formally refloated its political wing, the 62 Organizations, with a call for a united General Labour Confederation, (CGT) and for "militant defence" of current labour legislation.

The unity, promoted by the so-called BUM [Barrionuevo-Ubaldini-Miguel] leaders Luis Barrionuevo, Saul Ubaldini and Lorenzo Miguel, was spurned by the bulk of the pro-government CGT-San Martin unions as well as CTERA [Confederation of Education Workers of the Argentine Republic] teachers union and two powerful unions of the CGT-Azopardo: ATE [Association of State Workers] (state workers) and UTA [Motor Transport Workers Union] (bus-drivers).

A total of 111 unions and 67 regional labour delegations took part in the plenary, headed by Miguel, which released a critical report on government policy.

Before the meeting, Miguel warned his UOM [Metalworkers Union] metal workers union could withdraw its support for the gubernatorial candidacy of Vice-President Eduardo Duhalde if President Carlos Menem continued to defy the labour sector.

The 62 were joined by SUPE [United Trade Union of State Petroleum Workers] oil workers union leader Diego Ibanez, FENTOS [expansion unknown] waterworks union leader Ruben Pereyra, the independents Juan Jose Zanola (bank clerks) and Oscar Lescano (power workers) and the four leaders of the CGT-San Martin who backed the 62 Organizations: Pedro Goyeneche (textile workers), Lesio Romero (meat workers), Amadeo Nolasco Genta (city workers) and Juan Reyes (restaurant workers).

Paraguayan Leader Arrives for Minor Surgery

PY0507011691 Buenos Aires TELAM in Spanish 2139 GMT 4 Jul 91

[Text] Buenos Aires, 4 Jul (TELAM)—Paraguayan President Andres Rodriguez arrived in Buenos Aires this afternoon for a 48- hour private visit. The chief of state for the neighboring country arrived at Metropolitan Airport on a special flight. During his stay he will undergo surgery, lunch with President Carlos Menem, and visit the Argentine race course to observe the Republic of Paraguay grand prize race.

It has been learned that the surgery, which is of a minor nature, will take place in an apartment especially prepared by Paraguayan Ambassador to Argentina Carlos Ocampos Arbo.

On 6 July the two presidents will lunch together during a private meeting that will take place at Olivos Residence. Rodriguez will return to his country during the afternoon.

Malaysian Chief Departs; Steel Trade Discussed

PY0507031291 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1224 GMT 4 Jul 91

[Text] Mendoza, 4 Jul (NA)—Malaysian Prime Minister Mahathir bin Mohamad has returned to his country after expressing interest in the possible import of steel and food products. The foreign official recalled that IMPSA [Pescarmona Metallurgic Industries, Inc.] is manufacturing a crane for the port of Kuantan at a cost of $15 million.

During a news conference in the company of Mendoza Governor Jose Bordon, the Malaysian prime minister also stressed that Argentina can offer his country, which has 17 million inhabitants, not just raw materials, but also finished products. In exchange, he offered rubber, tin, household appliances, and electronic equipment, a sector in which Malaysia has become one of the leading countries in Asia.

Bolivia

Zamora on Shared Responsibility in Antidrug Fight

PY0407034691 La Paz Television Boliviana Network in Spanish 0240 GMT 4 Jul 91

[Telephone interview with Bolivian President Jaime Paz Zamora at Government House by Jacobo Zabludovsky of Mexico's "Televisa Eco"; date not given—recorded]

[Excerpt] [passage omitted] [Zabludovsky] Mr. President, this is an inevitable question. What about the coca eradication program?

[Paz] This is an inevitable question because the problem clearly exists and cannot be avoided. The fact is that drugs are consumed worldwide. Bolivia believes that this is a world problem and therefore the responsibility of the world. All the countries involved share the responsibility for this problem. The important thing is to identify the responsibility of each country. There are the consuming countries, the countries which create the problem of drug consumption. Their greatest responsibility will have to be to consume less. This is especially the case with industrialized countries.

There are other countries which act as intermediaries. They are the countries which can be labeled, quote, service countries, unquote, identifying the places through which the drug travels or in which it is commercialized. Interdiction and repression are essential in those countries.

There are countries like ours which produce the raw material: coca. Here the major problem is reducing coca production, including through prevention and interdiction. Excess coca production should be reduced, but there is also the traditional balanced consumption of coca in my country which has been going on for hundreds of years. The idea is to reduce the excess coca production; this is where we are concentrating our efforts through pressure and especially through alternative development. In other words, we should give the peasant coca growers—who are not drug traffickers, but who produce a raw material which drug traffickers use—the chance to create an economy based not on coca, but on alternative development.

I believe we are doing well, and the international community has recognized this. We thank God that the struggle against drug trafficking in Bolivia has not led to the violence which is taking place in other countries. This is a struggle which is basically developing within an atmosphere of national peace.

EEC Ambassador Urges Good Bilateral Relations

PY0407133891 La Paz Television Boliviana Network in Spanish 1700 GMT 3 Jul 91

[Text] Relations between the EEC and Bolivia have reached their highest level following EEC Ambassador Sabato de la Monica's visit to Bolivia. The diplomat

came to La Paz last week for the dedication of the EEC Commission office. On that occasion, Sabato de la Monica held several meetings with government officials, especially with President Paz Zamora.

The dinner that Sabato de la Monica hosted for President Paz Zamora was highly praised by ambassadors accredited to the Bolivian Government. It was noted that all ambassadors attended the dinner, a fact that was regarded as the European countries' special recognition of the Bolivian Government. Sabato de la Monica stressed EEC goodwill toward President Paz Zamora's administration.

[Begin Sabato de la Monica recording] [Words indistinct] in the sense of strengthening these relations in the economic, financial, commercial, industrial, training, technical, and scientific areas. We also seek to support the Bolivian Government adjustment program that has been successfully implemented so far. [end recording]

Brazil

Armed Forces Protest Congress' Salary Decision

Protest Discussed

PY0307185691 Madrid EFE in Spanish 1731 GMT 3 Jul 91

[By Rafael Candanedo]

[Text] Brasilia, 3 Jul (EFE)—In a document released today, the Brazilian Armed Forces rejected a decision by the National Congress and expressed increasing discontent over the low salaries being paid to that sector. The protest, which was signed by the three military ministers and 80 generals based in Brasilia, was released eight days after Congress decided to veto a presidential decree granting a 20-percent salary increase for public employees and Armed Forces members.

The document, which was signed by Army Minister Carlos Tinoco, Navy Minister Mario Cesar Flores, and Air Force Minister Socrates Monteiro, states: "We are concerned about the failure of the executive and legislative branches to harmoniously implement adequate measures to solve our difficulties."

The protest document, which has been distributed to all national military units, adds: "This lack of harmony has occurred often; the decision to veto Provisional Measure 296 and the consequences of this decision are an example of this lack of harmony, which directly affects us."

The document is one of the most serious protests by the Brazilian Armed Forces high command since the military handed over power to civilian President Jose Sarney on 15 March 1985, after 20 years of military rule. Sarney preceded the current president, Fernando Collor.

While the federal government tried to minimize the consequences of the protest document, opposition leaders harshly rejected the Armed Forces high command's criticism that "the executive branch is paralyzed" by congressmen's maneuvers.

Justice Minister Jarbas Passarinho has reported that the document was aimed at Armed Forces "members only," and that President Collor authorized its publication. Passarinho asserted: "No one can trample on the authority of the president of the Republic, who is the supreme chief." Last week when he learned that the federal government decree had been vetoed by Congress with 111 votes for it and 329 votes against it, Minister Passarinho tried to resign.

The Brazilian Democratic Movement Party (PMDB), which is the largest opposition party, classified the protest document as "a lack of respect for democratic laws;" Armed Forces chiefs must obey the president of the Republic.

"The Armed Forces should devote themselves exclusively to their professional duties unless the leaders of any of the three branches of government asks them to perform other institutional measures," the PMDB stated.

Senate Speaker Mauro Benevides stated in a communique that the rejection of Provisional Measure 296 was a sovereign decision of Congress and that the situation could be reversed if the executive branch issues another decree.

The federal government does not have a majority in any of the chambers of Congress; opposition parties took advantage of this situation to reject the provisional measure, which did not benefit more than 150,000 employees, most of them university professors.

Senator Mauricio Correa of the opposition Democratic Worker's Party (PDT) warned: "If the military ministers are not punished for their complaint over salaries, as has always been the case in Brazil, it is because there is explicit or implicit authorization from the president."

Political analysts believe that with its protest, the Brazilian high command sought to discourage an Armed Forces rebellion and send a message to the federal government and Congress.

An officer who asked not to be identified said: "The note by the military ministers was the wisest, mildest attitude that could have been adopted, taking into account the intense dissatisfaction and irritation among the troops." He added: "Otherwise, the banner of protest could have been raised by the most radical sectors. With their document, the ministers sought to keep the situation under control."

In the past few weeks, messages painted in bathrooms and clandestine leaflets circulated in military barracks, where some 300,000 men are headquartered, have called for rebellion to exert pressure in favor of salary demands. A Brazilian Army general earns a monthly salary of 874,581 cruzeiros ($2,768), while a soldier earns some 30,000 cruzeiros ($95).

'Text' of Protest Document

PY0407003691 Rio de Janeiro O GLOBO in Portuguese 3 Jul 91 p 3

[Text] Brasilia—For the first time under the Collor administration, the Army, Navy, and Aeronautics ministers have met for 50 minutes with 150 general officers and made the military's harshest criticism of Congress in recent memory. In a document read by Navy Minister Admiral Mario Cesar Flores—which was also signed by Flores, Army Minister General Carlos Tinoco, and Aeronautics Minister Brigadier Socrates Monteiro—the Armed Forces commanders criticized the Congress' decision to reject MP [Provisional Measure] 296 and condemned the 37.88-percent wage increase granted to legislative branch employees the day after the provisional measure was rejected. The military also condemned the policy of setting salaries in each state, which they labeled "salary anarchy."

The document states that the rejection of MP 296 "paralyzed the executive branch's effort to correct the salary distortions" and points out that the 37.88-percent wage increase for the legislative sector "widened the unjustified and unconstitutional gap that exists between the military and most of the workers of the executive (there are some privileged categories), legislative, and judicial branches, which is not fair nor politically healthy."

According to the document, the ministers observed "an unusual spectacle last 30 June with distress: Many congressmen applauded the rejection of MP 296 and exulted in the defeat of the executive branch's effort to settle the salary disorder among its cadres." According to the document, the 37.88-percent increase was granted "despite Paragraph 1 of Article 39 and Clause 12 of Article 37 of the Constitution, which subordinate the salaries of the legislative and judiciary branches to those of the executive branch."

In the document, the ministers assert that "compliance with constitutional specifications is a necessary requisite for the practice of a fair public salary policy which must equitably distribute the sacrifices which national difficulties demand." According to the ministers, their document "is not a vindication," but is "based on the need for a salary coherence in keeping with the Constitution."

Text of the Document by the Military Ministers

"General officers of the three forces:

"We, the military ministers, have called this meeting with the general officers serving in Brasilia to inform you of our concerns about the national situation.

"The military wants what the Brazilian people want: democracy and the construction of a developed and happy country. To achieve this objective, it is necessary to cultivate understanding. We are concerned, however, about the fact that the executive and legislative branches are not able to harmoniously implement appropriate measures to alleviate our difficulties because of their subjection to lesser interests. Disagreements have frequently occurred, and the rejection of MP 296 and its annexes is an example of an issue which affects us directly.

"We observed an unusual spectacle last 30 June with distress: Many congressmen applauded the rejection of MP 296 and exulted in the defeat of the executive branch's effort to settle the salary disorder among its cadres.

"MP 296 had two complementary and interdependent objectives:
"1) To rescue some poorly paid sectors from a perverse salary situation; and
"2) To allow the executive branch to take the first step, within the limits of the National Treasury, to comply with Paragraph 1 of Article 39 of the Constitution, which establishes similar salaries for posts with similar responsibilities, while also attempting to correct the nonobservation of Clause 11 of Article 37, which states that a minister's salary is the highest allowable salary in the executive branch.

"These are the reasons for the different increases and for the exclusion of privileged public servants who earn more than ministers. MP 296 omitted poorly paid categories of workers, but the omission was going to be corrected by another MP, according to an understanding with Congress.

"The revision, therefore, has nothing to do with a similar and simultaneous revision mentioned in Paragraph 10 of Article 37. The president of the Republic planned to propose this adjustment after the first stage of the correction process that would have started with MP 296.

"Despite the often-cited Paragraph 1 of Article 39 and Clause 12 of Article 37, which subordinate salaries in the legislative branch to those in the executive branch, the next day, on 30 June, Congress approved a 37.88-percent salary increase for legislative workers, justifying it by saying that the increase represented the average of what was proposed in MP 296, which in fact only proposed 20 percent. Perhaps the calculation omitted civilian public servants, who were not mentioned (zero increase), and the military (an average increase of 20 percent).

"These facts indicate the following:
"1. The executive branch was paralyzed in its effort to correct distortions among worker salaries and was prevented from fulfilling its duty to treat executive branch workers according to the constitutional principle of equality before the law and the salary ceiling requirement; and
"2. The increase in legislative worker salaries widened the unjustified and unconstitutional gap that exists between the military and most of the workers of the executive (there are some privileged categories), legislative, and judicial branches, which is not fair nor politically healthy.

"It is imperative now to approve immediate measures to correct the situation.

"Armed Forces members, who understood and accepted a salary level lower than that paid to poorly paid civilian public servants, as defined in MP 296, understand that compliance with constitutional specifications is a necessary requisite for the practice of a fair public salary policy which must equitably distribute the sacrifices which national difficulties demand. We, therefore, affirm that this document is not a vindication, but is based on the need for a salary coherence in keeping with the Constitution. A fair distribution of the sacrifice will help the three branches of government to consolidate democracy and promote national development, the modernization of the country, and the social well-being of its people.

"In sum, the Armed Forces expect that the example set by the national government will be followed by the states, in many of which prevail policies of salary anarchy replete with unfairness.

"In expressing our concerns, we are confident that national institutions will find the path to harmony to benefit an entire society anxious for justice and social peace and will urge all to continue to strengthen the spirit of cohesion in their subordinates as an indispensable requirement to succeed in this difficult period."

[Dated] Brasilia, Federal District, 2 July 1991.

[Signed] Navy Minister Mario Cesar Flores; Army Minister Carlos Tinoco Ribeiro Gomes; and Aeronautics Minister Socrates da Costa Monteiro.

Collor Discusses Dispute

PY0407023091 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 3 Jul 91

[Impromptu news conference with Brazilian President Fernando Collor by Voz do Brasil reporter Luis Mendoza and other unidentified journalists in Brasilia "today"—recorded]

[Text] [Mendoza] Mr. President, does the military ministers' note pose any threat to our democratic institutions?

[Collor] Absolutely not, absolutely not. It all began with a simple meeting of general officers based in Brasilia. These officers made a study of the effects of the measure on the Armed Forces. The results were discussed during the meeting. I thought it was appropriate for them to say a few words to the troops to calm anxieties in the Brazilian Armed Forces.

[Reporter] Congress considered the military ministers' note to be undue interference with the legislative branch. What is your opinion?

[Collor] I do not think it was really like that. Perhaps it created that impression at the beginning, but that was not their intention. After the initial impression, it was clear that the ministers never meant to interfere with the sovereign prerogatives of Congress.

[Reporter] Was the measure designed to solve the salary problem?

[Collor] No, and this is the heart of the question. Measure 296 was designed to objectively correct distortions in the public service. We all know that there are large salary variations within the various government branches. This measure was an attempt to correct some of those distortions. It was not an increase in public workers salaries. The increase will be granted in August and it will be across the board. Unfortunately, Congress did not understand our argument and rejected the measure, creating a climate of great anxiety among public workers. Congress must now assume responsibility for rejecting the provisional measure.

Congress also published a legislative decree ordering—to put it one way—disbursements which, according to the Constitution, are the exclusive prerogative of the executive branch. According to well-know jurists, the decree is unconstitutional. In the next few hours, we will make a decision whether to file a lawsuit at the Supreme Court requesting that the measure be declared unconstitutional. We have to be consistent. We have to know what we can decide. I think our decision will override that legislative decree.

Another two resolutions have not yet been made official. One of these resolutions was issued by the Chamber of Deputies and the other by the Senate. The resolutions grant a 37-percent salary increase to legislative workers. They have not taken effect, because they have not yet been published in the congressional paper. We have to wait until they are published before we analyze the overall situation.

[Reporter] What about the petition of unconstitutionality, Mr. President?

[Collor] We are waiting on a decision from legal experts who are analyzing the situation, because the executive branch is part of the conflict. Perhaps the government should not take the initiative. The important thing is that we will make every effort to find a solution. We will talk with all parties involved to seek a consensus solution aimed at calming the public workers. Regretfully, the rejection of Measure 296 has created an impasse. We all want to find a solution to clear the air as soon as possible.

[Reporter] [Question indistinct]

[Collor] We have received some proposals, particularly affecting small and medium-size firms. The economy minister is evaluating the situation. We will discuss the proposals at our next meeting. Thank you.

Congress Responds to Criticism

PY0407013091 Rio de Janeiro O GLOBO in Portuguese 3 Jul 91 p 3

[Text] Brasilia—After a three-hour meeting with party leaders, who were still in Brasilia yesterday, on the first day following the adjournment of Congress, Congress

President Mauro Benevides decided to answer the military ministers' criticism of the rejection of Provisional Measure 296 in a note in which he avoided mentioning the origin of the criticism, referring only to "criticism by certain sectors of Brazilian society which have expressed their dissatisfaction."

"A president, in defending his powers, does not incite sectors of society against the National Congress," Benevides explained.

To reach an agreement on the best way to answer the military ministers' complaints, Benevides locked himself in his office from 1800 to 2100 with Marco Maciel (Liberal Front Party—PFL—Pernambuco State), the government's leader in the Senate; Humberto Lucena (Paraiba), PMDB [Brazilian Democratic Movement Party] leader; Mauricio Correa (Federal District), PDT [Democratic Workers Party] leader; PDT deputy leader Vital do Rego; and Irapua Costa Junior, president of the Senate Foreign Relations Committee (PMDB-Goias).

Dissatisfied with the content of the note from Congress, which he considered weak, Lucena decided to publish a statement on his party's behalf. The PMDB note states that the Armed Forces' role is to be exclusively dedicated to their professional activities: "The military ministers cannot, therefore—especially due to the obedience they owe to the president of the Republic through the chain of command—meddle in actions of the other constituted branches, because it represents disrespect for the legal democratic system."

"We must not take this episode as an issue that can undermine institutional stability or democratic normalcy. It is simply an expression of dissatisfaction over the rejection of the provisional measure and the low salaries, nothing more," Maciel said, trying to calm the waters. Maciel does not believe this to be a case of insubordination.

The Senate note reads as follows:

"The rejection of Provisional Measure 296 and the a posteriori regularization of its effects represent a sovereign decision by the National Congress. It allows government officials at various different levels to receive, in May and June, an increase granted to civilian and military servants throughout the country.

"The criticism by certain sectors of Brazilian society against the congressional decision represents an expression of dissatisfaction which can be overcome with the adoption of suitable legal measures.

"The three branches of the Republic, harmonious and independent, will guarantee the political-institutional normalcy which was consolidated with the promulgation of the 5 October 1988 Constitution, the stalwart defense of which is the task of all citizens.

"The National Congress will remain firm in safeguarding its prerogatives, the preservation of which is essential to the very objectives of the democratic system."

* Meeting Examines Drop in Trade With PRC

91SM0354C Sao Paulo GAZETA MERCANTIL in Portuguese 18-20 May 91 p 6

[Article by Claudio Kuck: "Drop in Trade With the PRC"]

[Text] Brasilia—When the Sixth Biannual Meeting of the joint Brazil-PRC economic and trade commission was concluded on Friday at the Ministry of Foreign Affairs, it had one concern: the gradual decline of bilateral trade between the two countries. The causes of the decline were studied in the context of the new free-trade policy for Brazilian imports. The Chinese see the possibility of exporting textiles, toys, and porcelains and also coal for steelmaking, metallurgical coke, electrical equipment, and products of light industry. Brazil is already planning to sell urea, soybean oil, and chemical raw materials.

The two countries also decided to consider cooperation in the area of natural pharmaceuticals, with the formation of joint ventures that would utilize Brazilian raw materials and the traditional Chinese technology in that sector. The principal medicine on the list is artesina for the treatment of malaria. Brazil will import it from China and also attempt to produce it using technology transferred from that country, inasmuch as the plant from which it is made is also found in Brazil.

The Chinese also showed interest in forming joint ventures to produce light bulbs, building materials, furniture, carpets, electric household appliances, and sewing machines in Brazil as well as paper and cellulose in their country.

Bilateral trade reached its peak in 1985, when it exceeded $1 billion, but in 1989 it was already down to $800 million and to $600 million in 1990, while this year it has shown no signs of recovery.

There is also a sizable imbalance, inasmuch as Brazil last year exported $550 million worth of goods and imported only $50 million.

The meeting reached the conclusion that trade had declined because China—whose economy between 1979 and 1989 experienced an annual growth rate of 10 percent—made adjustments in its economy to cope with an annual inflation rate of 20 percent, a rate previously unknown in that country, whereupon consumption declined and so did imports. Chinese exports to Brazil are now virtually limited to petroleum (80 percent) and chemical products. The problem is that Chinese crude is the heavy variety.

The National Association of Tobacco Growers presented a demand at the meeting that China remove the plant sanitation restrictions on the importation of Brazilian tobacco. What happened was that Peking halted its purchases of Brazilian tobacco because the Brazilian product allegedly had blue-mold disease, which the growers insist had already been eradicated several years ago.

The two countries also decided to intensify the flow of trade information through the medium of private companies, business associations such as the FIESP [Sao Paulo State Federation of Industries] and CNI [National Confederation of Industries], and the respective governments. The Chinese are already planning to participate in the SAO-91 fair in November in Sao Paulo, while Brazil will augment its participation in next year's Peking fair. Cooperation with respect to satellites is scheduled to continue.

The Brazilian delegation at the meeting was headed by Ambassador Marcos de Azambuja, secretary general for foreign policy at the Ministry of Foreign Affairs, while the Chinese delegation included the vice minister of Foreign Economic Relations and Trade, Tong Zhinguang, who also conferred with Economy Minister Marcilio Marques Moreira, Infrastructure Minister Joao Santana, and Agriculture Minister Antonio Cabrera Filho.

Chile

* Officials Discuss 1990 Budget Expenditures

* Social Spending Reduced

91SM0381A Santiago EL MERCURIO in Spanish 27 May 91 pp B1, B10

[Text] Expenditures by some social ministries, the municipalities, and the armed forces reflected some reductions during fiscal year 1990, compared to fiscal year 1989. This information appears in the annual report of the Office of the Controller General of the Republic in the section on the financial management of the state.

On the other hand, as the report indicates, expenditures for Congress and in the Ministries of Foreign Relations and Housing increased during the same period.

The "Report on the Financial Management of the State for 1990" is the official document through which the Office of the Controller General reports to the president on the fiscal year just ended. The document was recently submitted by Controller General Osvaldo Iturriaga to President Patricio Aylwin.

According to the study, expenditures in the Ministry of Health declined during fiscal year 1990 by 6.3 percent, in comparison with expenditures during fiscal year 1989. This percentage results from a comparison of 1990 expenditures of 192 billion pesos and 1989 expenditures of 205 billion pesos.

The report by the highest accounting office of the state also reports a decline of expenditures by municipalities in 1990. These amounted to 125 billion pesos in 1990 and 138 billion pesos in 1989. A similar situation was recorded in the Ministry of Education, in which expenditures for 1990 amounted to 166 billion pesos, compared to 1989 expenditures of 180 billion pesos.

Expenditures by the armed forces also declined, as did those of the Judicial Branch of the government. Spending by the armed forces declined to 185 billion pesos in 1990, compared to 196 billion pesos in 1989. Expenditures by the Judicial Branch amounted to 8.3 billion pesos in 1990, compared to 11.6 billion pesos in 1989.

Finally, expenditures by the Social Fund declined to 1.271 trillion pesos in 1990, compared with 2.783 trillion pesos in 1989. Expenditures in the Public Security sector dropped to 58.9 billion pesos in 1990, compared to 61 billion pesos in 1989. In the Ministry of Public Works expenditures amounted to 120.6 billion pesos in 1990, compared to 122.7 billion pesos in 1989.

On the other hand expenditures in the Legislative Branch went up from 2.387 billion pesos in 1989 to 7.989 billion in 1990, an increase of 235 percent in real terms.

A similar development, although not on as large a scale, took place in the Ministry of Foreign Relations. In this ministry expenditures went up from 25.164 billion pesos in 1989 to 25.263 billion pesos in 1990.

Expenditures also increased in the Ministries of Housing and Labor and Social Welfare, with spending going up from 88.6 billion pesos to 90.8 billion pesos and from 559.2 billion pesos to 623.6 billion pesos between 1989 and 1990, respectively.

Furthermore, as stated in the report by the Office of the Controller General, the expenditures of the Office of the Secretary General of the Presidency and of the Ministry of Planning and Coordination appeared for the first time.

Total Expenditures

Total expenditure in the public sector during fiscal year 1990, according to the report of the Office of the Controller General, was 2.519 trillion pesos, whereas overall expenditures during fiscal year 1989 amounted to 3.029 trillion pesos.

The highest level of total spending by the public sector occurred during 1988, when it amounted to 3.039 trillion pesos. In all previous years the total expenditure figure was less than 2.5 trillion pesos. Therefore, total expenditures in the state sector during fiscal year 1990 were at historic levels equal to those of the year 1985, 1986, and 1987, when overall expenditures were about 2.5 trillion pesos.

* Arellano Refutes Report

91SM0381B Santiago EL MERCURIO in Spanish 28 May 91 pp B1, B10

[Text] Jose Pablo Arellano, the director of the budget, has stated that after the tax reform entered into effect, social expenditure in the second half of 1990 increased by 10 percent in real terms, compared to the same period of 1989.

He said that in 1991 an increase is anticipated in social spending of more than 15 percent in real terms compared to 1990.

He indicated that in 1991 substantial increases in spending are expected in all areas, both in housing as well as in health and social services. Expenditures on social services will not only include a readjustment of minimum family assistance pensions and allowances but also a refund of 10.6 percent to about 250,000 pensioners and an increase in family allowances, under a draft law which has already been sent to Congress.

At a press conference the budget director answered several questions regarding the trend of social expenditure. According to the "Report on the Financial Management of the State for 1990," there was a decline in spending on municipalities, health, education, the Social Fund, and the armed forces in 1990, compared to 1989. According to the same report, there was an increase in spending by Congress and the Ministries of Foreign Relations and Labor and Housing.

Arellano stated that there are some problems in the comparison of figures since, as pointed out in this report in notes on page 89 of the document, not all of the expenditures made in 1990 are included in it. He added that, "Probably, that is due to the fact that the information was not available on time."

He noted that the report does not include expenditures made in December 1990 by government services in the metropolitan area of Santiago and in the Third and Tenth Regions. It also does not include expenditures during the same month on public assistance pensions, the Central Supply Office of the Ministry of Health, and the National Fund for Regional Development in five regions of the country. The report also excludes expenditures during the last 2 months of 1990 on higher education, the National Fund for Regional Development in the Fourth Region, and transfers of funds to the municipalities.

Furthermore, he said that among the expenditures made during 1989, which are included as funds spent on social security, is the anticipated termination payment to finance the privatization of companies, an expenditure which amounted to 31 billion pesos and which was not repeated in 1990. For this reason it would seem to support the conclusion that there was a reduction in social spending, when in fact no such thing existed.

He repeated that even though the information is not complete, social expenditure for 1990, as a whole, increased substantially on social security and housing, while the increase on health and education was less significant, because "we started from a much lower level of spending."

He recalled that in several social program areas the ministers assumed a deficit in the 1990 budget which had to be dealt with before considering an increase in programs.

He stated that on the basis of the published information some expenditures which are not directly chargeable to the social ministries cannot be identified, such as family allowances and the single subsidy to families, which recorded a real increase during 1990.

He recalled that the government proposed an increase in social expenditure on the basis of the approval of the tax reform program, through the use of legal initiatives and budgetary supplements. This happened in the second half of 1990. He pointed out that, beginning in July 1990, public assistance pensions, minimum pensions, family allowances, and the single subsidy to families were readjusted on an extraordinary basis and above the rate of inflation.

During the second half of 1990 there were also extraordinary expenditures made to finance an expansion in the school lunch program; to broaden the subsidized housing, the basic and progressive housing, and the building lots with basic services programs; and to expand primary health care. Arellano said that all of this led to a supplement to the budget law which the government obtained for 1990.

He suggested that to measure the efforts made by the government in the social area, it would be appropriate to compare the actual expenditures in 1990 with those originally budgeted.

In his comparison, during the second half of 1989 social expenditures amounted to 485 billion pesos, while in the same period of 1990 they amounted to more than 672 billion pesos. Both of these figures are in nominal, rather than real terms. In real terms there was an increase of 10 percent in social spending in 1990, compared to 1989.

Arellano said that a complete report is being prepared on expenditures in 1990 so that we will have a series of reports for several years and therefore be able to make comparisons. The report for 1990 will be ready in about 6 weeks.

Asked about expenditures on municipalities, he stated that there were some programs which reflected an increase in 1990, such as urban redevelopment. However, he pointed out that information on this subject is incomplete.

The budget director was leaving on 27 May for Washington to participate in final negotiations on a loan of $150 million which the Inter-American Development Bank (IDB) will extend to Chile as a part of the Americas Initiative of President Bush.

* Central Bank Head Claims Economy Not Stagnant

91SM0380C Santiago EL MERCURIO in Spanish 29 May 91 pp B1, B3

[Text] Andres Bianchi, the president of the Banco Central, stated on 28 May that the national economy is not stagnant, nor is it overheated. On the contrary, the goals which the government set for 1991 in terms of the

growth of Gross Domestic Product, inflation, and the consolidation of the export sector will be achieved.

He made these statements in the course of a conference on "The Situation and Prospects for the Chilean Economy, 1991," sponsored by the Institute of Banking Studies and the Association of Banks and Financial Institutions.

The president of the Banco Central stated that it was necessary to use a long term view in economic analysis, taking into account the major tendencies of the economy and not details or temporary situations. In this respect he criticized those who made "catastrophic" forecasts about the future and recalled the views of Arnold Harberger that there are no well-founded reasons for thinking that the national economy is shrinking.

Bianchi stated that the recent behavior and future prospects of the Chilean economy are favorable, as the indicators of activity recorded in the first few months of the year have confirmed. They make it possible to hope that the growth objectives for Gross Geographic Product of about five percent will be achieved.

In this sense he said that during the first quarter of 1991 Gross Domestic Product increased by two percent over the same period of 1990, while the Monthly Index of Economic Activity published by the Banco Central showed a positive growth of 2.1 percent.

At the same time he noted the positive results in the fields of mining production, construction, industrial building, the gross production of electricity, and commercial and industrial sales.

He pointed out: "The empirical information which is available is compatible with the rate of growth which was projected for the first quarter of 1991, that is, two percent, and also with the goal forecast for the whole year."

Bianchi also referred to the relationship between sales and production, indicating that it is natural that after a period of recuperation, following an economic adjustment, the development of sales would be greater than that of production. He also said that afterwards there should be an expansion of employment and of investment. In his view the figures show that this sequence of events is probably taking place.

He commented: "There is no stagnation or overheating of the economy. What is happening is an expansion which will strengthen throughout the rest of 1991 and which will maintain an adequate relationship to available productive capacity and to the capacity to import which the country is counting on."

Inflation

Regarding inflation, he estimated that in May the IPC [Consumer Price Index] will go up by more than two percent, which is probably accounted for by a technical, temporary factor, due to a methodological change included in its calculation by the INE [National Statistics Institute].

He said that this is explained by the inclusion of rents, which were not computed in the index for May 1990.

He added: "We are seeing a temporary increase, based on transitory factors which does not mean a return to indicators of growing inflation which were seen in the past."

At the same time he added that for the first time in seven months there has been an increase in the Consumer Price Index, compared to the same period of 1990.

Despite this development, he said that the inflationary goal of the government, which is estimated at 18 percent for all of 1991, will be achieved. He said: "This will be achieved if the average monthly inflation is 1.6 percent."

In another area he attributed the abundance in the real money supply to an increase in demand, a decrease in interest rates, and a decline in inflation.

In this sense he said that the money supply has fallen over the past few months, recording declines in April of seven percent and 6.5 percent in May.

External Sector and Foreign Exchange Policy

In referring to the matter of exports, he emphasized that there is a "dramatic" contrast between the facts on Chilean foreign trade and certain "catastrophic" statements which have been made in the last few weeks.

He pointed out that the evolution of the figures in this sector indicates that exports during the first four months of 1991 amounted to almost $3.1 billion, representing an increase of about nine percent, compared to the same period of 1990.

He emphasized the substantial increase recorded in non traditional exports, which rose by 26 percent in May and by 55 percent in April, compared to the same months of 1990. He said that this situation shows the diversification achieved by Chilean exports.

Regarding imports, he said that they had fallen by four percent, with a substantial decline in the import of capital goods.

All of that shows a surplus during the first four months of 1991 of $900 million, a figure which is 67 percent higher than that recorded in the same period of 1990.

In discussing the question of foreign exchange policy the president of the Banco de Chile stated that the government's program is going to be maintained. He said that this policy was inspired by a long term view which seeks to maintain the competitiveness of the export sector.

Regarding the real exchange rate, he stated that it is difficult to accept arguments about a supposed loss of competitiveness by those sectors which produce semifinished goods, caused by a deterioration in the rate of exchange.

He said that if this were so, a fall in exports and an increase in imports should be expected, which has not happened.

At the same time he stated that adjustments made in the foreign exchange rates have made it possible for the real, effective exchange rate to be greater than it would have been if those adjustments had not been made. The same is true in the case of the observed rate for the dollar. He indicated that these measures do not change the essence of foreign exchange policy, which tends to adjust the rate of exchange in accordance with the relationship between external and domestic inflation.

* Ex-Minister Describes 'Crisis of Confidence'

91SM0380B Santiago EL MERCURIO in Spanish 24 May 91 pp B1, B3

[Text] Jose Pinera, former minister of mining and labor, stated on 23 May that the country is affected by a "subterranean crisis" of confidence, whose principal indicator is the decline in foreign investment, which fell by 25 percent in 1990.

He made these statements on 23 May during his speech to the seminar entitled, "Chile Can Do More," which the Seminarium Company organized at the Hotel Crowne Plaza.

The economist stated that a decline in total investment of 20 percent and a substantial decrease in the employment rate are forecast. In his view these situations represent a step back from structural economic reforms, among which he mentioned the increase in taxes and changes in labor legislation, which give more power to trade union leaders.

He indicated that no progress is being made on privatizations which, he said, have been questioned and halted. He stated: "Previously, only Chile was privatizing its economy but now it is the only country in the world which is not doing this."

At the same time he stated that serious, macroeconomic imbalances have been generated, caused by an erratic foreign exchange policy, which has been under constant discussion.

He said: "Economic policy is being made in accordance with pressures from various sectors. When business and trade union leaders join with the relevant cabinet minister and reach agreement and make decisions for the whole country, this is called 'corporativism.' You do not make progress in this way, nor do you make the best decisions."

Pinera stated that the previous economic model continues in effect, even though "it is like an extraordinary automobile, whose drivers do not know how to handle it. Therefore, it does not move."

He added that the government only has 6 months left to move forward with its intention of deepening the market economy. This is because in March 1992 the country will begin the municipal elections campaign, and pressures will be generated which will prevent making decisions, for example, on privatizations. He declared: "There are 6 months left for the change in course which Chile needs to return to increasing investment and growth."

He said that in this sense it was of fundamental importance for the government to recognize what were the sources of the crisis of confidence affecting the country. In his view these are to be found in the lack of leadership to move forward and in the critical statements which the present authorities made about the existing economic model.

He stated: "The government must recognize that there has been an important change in economic terms and that its criticisms of economic management were mistaken. The authorities have their hands tied by their previous opinions."

He considered that the solution must involve putting an end to the practice of the government's doing what trade union leaders want it to do. He declared: "Decisions must be made which are more appropriate for the country regarding, for example, foreign exchange policy and legislation on fishing and minimum wages. It is impossible to please everyone."

Pending Modernization Programs

The former minister indicated that there are three programs of modernization pending in the country: the continuation of privatization, the modernization of CODELCO [Chilean Copper Corporation], and the end of state ownership of the communications media.

In this sense he said that it is essential to achieve economic growth, to strengthen democracy, and to generate political modernization in the country. He said: "It is necessary to change the way in which political life is conducted. This is a pending revolution which has already begun in the economic and social sectors."

Pinera said that the democratic system has come back to Chile. However, the politicians, the ideas, the styles, and the programs are the same as those which led the country into the breakdown of democracy.

He stated that this situation is reflected in a linear concept of politics, with the concept of Left and Right; short sighted views reflected in excessive fear of political costs; an attitude of governing by public opinion polls; a lack of political courage to deal with problems when this involves "going against the current"; and minimal objectives in political debate.

* UDI to Hold Policymaking Convention in July

91SM0380A Santiago EL MERCURIO in Spanish 24 May 91 p C3

[Text] The Independent Democratic Union (UDI) will hold an ideological congress next July at which the political outlook of the party will be defined and an alternative government program will be developed.

This was stated by Joaquin Lavin, the secretary general of the opposition party, who stated that by holding such

an event one of the unfinished projects of Jaime Guzman, the murdered senator and founder of the UDI, will be completed.

Lavin emphasized that one of the fundamental purposes of the policymaking congress is to state in practical terms the outlook of the UDI, which has been defined as a party which is Christian by aspiration, popular in outlook, and in favor of the social market economy.

Lavin said: "It was the special concern of Jaime Guzman to explore in depth the Christian aspiration of the party, covering subjects such as the relationship between Christianity and the social market economy or between Christianity and moral values. Jaime was particularly concerned about the moral neutrality resulting in such things as abortion and divorce which societies with market economies come to. He wanted the UDI to be a dike holding back such a tendency."

The UDI leader emphasized that a second objective of the policymaking congress is developing a program of government, which he characterized as "the second great modernizing revolution."

He explained that the UDI carried out governmental programs during the most innovative period of the past military regime. Therefore, it has a young and experienced technical team which is in a position to propose an alternative program of government to the country.

He added: "We are happy, but at the same time concerned, that what we advocated in the past administration, such as the open economy and the modernization program, are now advocated by everyone, as a result of which we have been left without any program of our own and without the ability to distinguish ourselves from other parties."

Colombia

Nationwide Lifting of State of Siege Ordered

PA0407180491 Bogota Inravision Television Cadena 1 in Spanish 1735 GMT 4 Jul 91

[Text] We are broadcasting from Santa Fe de Bogota, the country's capital, which will now recover its beautiful name: Santa Fe de Bogota. We want to report all the important news that has recently taken place in this country and abroad.

We must begin by stating that the government has just lifted the state of siege nationwide, through Decree 1686 of 4 July 1991. According to Attorney General Carlos Gustavo Arrieta, this action demonstrates the government's confidence in this new country that is being born today. It is a demonstration of confidence that peace will come to all areas of Colombia, and also a demonstration of good faith in those who will continue their peace talks in Caracas on 15 July, despite the fact they are waging war in different areas of the country.

Constituent Assembly Approves New Constitution

PA0407144491 Bogota Radio Cadena Nacional in Spanish 1210 GMT 4 Jul 91

[Text] Last night the National Constituent Assembly concluded five months of work during which time it approved 397 permanent articles of the new Colombian Constitution. In its last day of sessions, the Constituent Assembly decided that the Congress that will be elected on 27 October will take office on 1 December 1991, instead of 2 February 1992, as had been slated originally. The governors will be elected on the same day that the members of Congress are elected, but they will take office on 2 January 1992. It was also resolved that the first elections for the vice president of the Republic will take place in 1994. Therefore, the possible absences of the president up until that time will be filled by Luis Fernando Jaramillo Correa, the current presidential designate.

At the end of the day, the Constituent Assembly approved special powers that will permit the government to carry out a tax reform seeking to finance the implementation of the new Constitution, the cost of which amounts to 700 billion pesos annually.

Amid great rejoicing and to the notes of the national anthem, the second round of debates of the National Constituent Assembly concluded at approximately midnight with the approval of Article 397, the last article of the new Constitution, which repeals the former Constitution and its amendments.

The article, which was approved in the second debate, was passed immediately to the commission on style, which will be in charge of making the final corrections before submitting it formally to President Cesar Gaviria, who will promulgate it to all Colombians tonight.

The vote, with 56 votes in favor, three against, and one abstention, repeals as of the date of the promulgation of the new Constitution the fundamental constitution that has determined the destiny of Colombians for the last 105 years.

Gaviria Addresses Assembly

PA0507041491 Bogota Inravision Television Cadena 1 in Spanish 0110 GMT 5 Jul 91

[President Cesar Gaviria address at the National Constitutent Assembly in Bogota—live]

[Text] Dr. Alvaro Gomez Hurtado, Antonio Navarro Wolff, and Horacio Serpa Uribe, the presidents of the National Constituent Assembly; honorable National Constituent Assembly members; former President Dr. Alfonso Lopez Michelsen; ambassadors and members of the diplomatic corps; members of the Supreme Court of Justice, the State Council, and the Disciplinary Court; ministers; generals, commanders of the military forces, chiefs of the joint staff, corps commanders, and National

Police director; attorney general, comptroller general, and national civil registrar; Mr. Mayor of Santa Fe de Bogota; fellow citizens.

I wish to share with you the happiness that fills the Colombian people's hearts and the satisfaction of those who have strived to build a homeland that is open to participation without excluding anyone; that offers everyone a place under Colombia's sun; that shelters everyone alike—rich or poor, strong or weak, those who have actively participated in our history, and those who will be its protagonists in the future.

Even though we conclude this important phase today, it also marks the beginning of a new political era for Colombia; that is what is most important. We must realize that the 1991 Constitution does not mark the end of a reform process; instead, it is the beginning of a new chapter in our history. We have started, not ended, what President Alfonso Lopez Pumarejo called the friendly liquidation of our past; the cordial cancellation of the overwhelming burden of rancor and prejudice that the nation required to become prosperous and peaceful. The 1886 Constitution allowed Rafael Nunez' ideas to create the necessary authority to unite the Colombian nation; and the 1991 Constitution will allow the process of renewal and change in which we are immersed to result in the construction of a new democracy. We are about to embark on a truly peaceful revolution; we have divided in half the history of our Republic.

This assembly is an example of the new democracy I pledged to deliver to the Colombian people when I began by mandate. It also proves that the new democracy is functional; that it is not a utopia. The new democracy has room for tolerance and respect for other peoples' ideas. The new democracy seriously takes into consideration other people's ideas with the modesty that must characterize it—fully aware that the truth will emerge from debate and dialogue and that the existence of different views, parties, and convictions should create the concept of pluralism with happiness, and harboring the hope that our viewpoints will improve or that it will allow us to have better ones.

The new democracy will undoubtedly be strong enough to receive different opinions given its dignity in the frank debate of ideas and given its lack of intimidating strength and dogmatic insolence. Thus, when there are several opinions on the same issue, no one will be able to say there is disorder, only that pluralism is being expressed. Honest debate will not be criticized for causing conflicts; quite the contrary, it will be rightfully said that an open dialogue is welcome, no topics will be forbidden, we will all have the opportunity to state our views, and we will all have the right to be heard.

In this new democracy no one will be able to claim a better position; this Constitution has been written so that we may all coexist in a civilized way, under the same roof, mutually respecting ourselves, and receiving the fair treatment we deserve. Tolerance will prevail and we will hear other people's ideas, but this does not mean that we will forsake our own ideas. It means that we will all be able to freely and fully state that we have adopted new rules so that we may stop fighting like enemies and start talking like advocates.

We will certainly have great differences, but we will share the same essential pledge—Colombia—and the extolling efforts to achieve the people's welfare and peace among brothers. The word consensus is not synonymous with unanimity in this new democracy; it is the foundation to manifest the spirit of participation that has awakened among Colombians—who, tired of having someone higher up organize their lives, have taken their destiny into their own hands to forge it according to their hopes and to adapt it to their needs. Hence, in the new political order that is being created, each individual and each constituent member has equal power and this cannot be ignored.

That is why we have moved from abstract theories about justice to specific sensitivity toward those who require help or, as the Constitution says in so many articles, toward those who deserve special protection.

That concern for minorities does not reflect a paternalistic attitude. It is the result of the fact that we are all gathered here for the first time in our history, in a single building, face to face, in conditions of equality. This assembly could have been very different, but it was chosen by the people, not handpicked. It was the fruit of the new political opportunities opened by the national voting districts, the voting ballot, and the financing of campaigns for the election of delegates, instead of our traditional politics. It was born within a state of law, thanks to the historical rulings of the Supreme Court, which reflected innovative legal concepts as outlined in the decrees dictated by the president without disregarding the institutional order.

It was publicly deliberated instead of being closed to the expression of opinion, and it has been pluralistic, free, and autonomous. In synthesis, the Constituent Assembly has been of all the Colombian people, instead of just experts and technicians. I prefer it as it was, as it was conceived in the public letter I sent on 22 July 1990, as president-elect, to the leaders of the political forces with which we signed the agreements that made this process viable.

I prefer it this way, because the new constitution was born, in essence that is, in a democratic event on 9 December. There the Colombians chose wisely. They chose to promote a turnover. They deposited their trust in all of you for 150 days, for you to develop and draft a text reflecting the popular feeling of a need for institutional change and political renewal.

I wish to highlight the effort, dedication, and seriousness of all the members of the assembly. On behalf of all the Colombian people, I congratulate you for having fulfilled such a high responsibility with exemplary dedication. In addition, please allow me to recognize the work of Government Minister Humberto de la Calle, whose tact,

intelligence, honesty, and discipline [prolonged applause] have been seen by the entire country. Equally, I recognize the presidents of the Assembly, Alvaro Gomez Hurtado, Antonio Navarro Wolff, and Horacio Serpa Uribe [prolonged applause] who interpreted with lucidity the historical moment being experienced by the nation during these months, and wisely preserved the spirit of consensus that has characterized this process by giving full guarantees to all groups and by maintaining a just equilibrium in the debates. I must also highlight the role that they played, and the role played by former President Alfonso Lopez Michelsen [applause] in his capacity as national director of the Liberal Party, in the search for and subsequent signing of the political agreement that made it possible for there to be a harmonious transition to the system of electing a congress under the new electoral rules on 27 October.

Delegates: The new constitution will give the government over which I preside and the country as a whole the tools with which to vigorously and quickly continue along the now-cleared path of peaceful revolution.

This has been my primary concern, and it will be my guide as I defend and continue to promote this process. This will clearly be the government's legislative goal when it adopts further decisions to consolidate the new country that we have acquired, thereby marveling the pessimists and the persevering harbingers of disaster that Lopez Pumarejo [former Colombian president] spoke about, as well as the citizens of the future.

This new country that lies ahead of us, based on a constitution that is very different from the 1886 Constitution, will express itself through a participatory democracy. It will be governed with solid and efficient institutions, and it will be inhabited by active citizens who are interested in deciding their future. Allow me to briefly refer to each of these topics.

One of the new constitution's leading features is that it was not born of a few pens, but of a broad democratic debate in which the entire country participated; of the plebiscite proposed in 1988; of the streets when the students fought the issue of the seventh ballot, of the work tables, of the presidential race, of the media and, of course, of the heart of this assembly.

The 1991 Constitution belongs to no one in particular. Thus, as few in history, it is of all and for all. It is a work created collectively that, as of now, and for many decades, belongs equally to each Colombian. The 1991 Constitution is also a mirror of the new country, of the Colombia in which we all have a place—the children, youths, adults, and elderly—in which women have a place, [clears throat] pardon me, in which women play an important role in national life, in which the Indians and the other ethnic minority groups truly count. It is a predominantly urban Colombia that recognizes the importance of promoting the countryside's development, the country of regions that rightfully demand faculties and powers to rid themselves of an asphyxiating centralism, and to promote true regional progress and the rebirth of local activity.

This is why the 1991 Constitution is as it is: lengthy as it is democratic. Detailed to include diversity and offer guarantees to all of the political and social groups. Edited by many hands and with many styles because it was created at a pluralist forum of representatives from every sector of society. Generous in legal issues, broad, participatory, and democratic with regard to politics; strong and solid with regard to justice; economically sound and responsible; socially revolutionary; this is what the charter that is making its first appearance today is like.

The new constitution is not an academic exercise or a laboratory experiment. It is the expression of a living reality. It consists of different forms—complex, imbued with needs of a different nature, and compelled by the vision of millions of fellow citizens. In summary, as Bolivar said, it is appropriate to the nature and character of the nation; but, above all, when founding a new order, the 1991 Constitution sought to recognize the existence of the protagonists of this new Republic. Millions of Colombians who had, justifiably, never shown interest in constitutional theories, today identify with the 1991 Charter, and they are prepared to demand that it be implemented, that it not be restricted to just a written document, but that it become an instrument for achieving a reality.

It is because of this, also, that I like the new constitution. A political charter was borne of this process. However, we must bear in mind that we also have a participatory democracy; these days we all repeat that expression. We no longer speak merely of democracy, but of participatory democracy or a popular participation democracy. This is not a problem of semantics, redundancy, or fashionable words. We are standing before a new concept of democracy, perhaps the most advanced that has ever been heard of, and so recent that the Colombian Constitution is among the few constitutions in the world that state these ideas. Just as 200 years ago Montesquieu was a revolutionary in his time, today those who inspire participatory democracy have challenged traditional institutions, not to destroy them but to use them as the pillars of a new political order, more legitimate, more respectful of autonomy, of rights, and of each person's freedom, less unequal and fairer, and open to the peaceful coexistence of all the groups that comprise a community.

Upon creating a participatory democracy, we have fulfilled the mandate of the electorate, which on 27 May 1990 turned out at the polls to cast the ballots that founded this process. The spokesmen of the old order could do nothing in response to the uncontrollable force of the transformation, in response to the decision of millions of Colombians who resolved to confront the crisis and the violence of hopelessness with an avalanche of votes which, from that moment, announced the advent of a new era.

In the face of adversity, the Colombian people have increased in stature, met bombs with votes, millions of votes, for the new country desired by so many fallen fellow Colombians, like Luis Carlos Galan [applause], Guillermo Cano, Jaime Pardo Leal, Bernardo Jaramillo, Carlos Pizarro, Carlos Mauro Hoyos, Rodrigo Lara Bonilla, Enrique Low, Diana Turbay de Uribe, and dozens of journalists, judges, magistrates, policemen, and common citizens. [Applause] In this participatory democracy, groups of citizens will be able to present proposals to the congress directly and deal with assembly regulations and council accords. They can designate a spokesman who will represent them in the introduction of their proposals, which should follow an abbreviated procedure. These groups will also be able to propose, without intermediaries, any required changes. They can also veto those decisions they regard as highly harmful. If a large group of citizens request that a proposal approved by the Congress be submitted to a referendum, such an action should be convened so that the people can decide whether to ratify or abolish such a proposal. They can also make decisions on their own concerning important matters in popular consultation throughout the country, in their departments or municipalities. Even when a particular aspect of the 1991 Constitution is to be amended, the people can, if they so desire, go to the Constituent Assembly delegate who made the original proposal so that either a particular text is submitted to referendum or the reforms approved by the Congress are ratified by the people.

In addition to voting in the elections, in this participatory democracy the citizens can demand respect for their rights to participate in other forums, so that their opinions can be taken into consideration when decisions affecting them are made. These citizens include students at universities, workers at their enterprises, members at their guilds and unions, professionals in their associations, peasants in their organizations, consumers and civic associations at state institutions, youths in public organizations of their interest, women in high decision-making circles, to name just a few examples. In this participatory democracy, most important is the power of each citizen. This is why the Constitution clearly states what an individual can do if he feels he is being discriminated against; what a person can do if he or she has been arbitrarily mistreated or has his or her honor, intimacy, or autonomy violated.

No more injustice, no more privileges, no more abuses. Let us respect everyone's dignity. Let us live together in peace. This is the ultimate goal of the Constitution. In addition to reporting such abuses, the Constitution offers every person mechanisms, such as the protection and the people's defender, so that the state can respect him and so that youths will have no reason to rebel against institutions to defend these rights. There, gentlemen delegates, you have the Colombian people's arms to peacefully struggle for their interests. I am inviting my fellow countrymen to use these arms whenever necessary. I am inviting you to a battle where not a single drop of blood will be shed to enforce the Constitution and the people's rights. [applause] A new Constitution provides a new democracy, and new, steady, efficient institutions. The Constitutional Court will make the 1991 Constitution into a living document, applicable to all, in tune with the country's reality. It will be a promoter of changes and protector of the democracy's fundamental values. We will have a strong, alert, and autonomous judicial branch so that justice cannot go astray in the midst of bundles of files, come out of the shelves, and be within reach of all Colombians, who will be able to resort to it and get a prompt answer. The Prosecutor General's Office will serve to coordinate and stimulate the state's actions against crime. The office will lead the struggle against impunity and be capable of confronting powerful criminal organizations. The Prosecutor General's Office has been born at the foot of the president, which will send the three-name list from where the prosecutor will be chosen, and the other in the judicial branch, because this office belongs in this branch and is invested with authority similar to that of a justice to conduct investigations and take cautionary measures.

One of the priorities in the government's agenda will be to stimulate the development of the new penal system originating in this institution, always seeking a healthy balance between the efficiency of justice and respect for personal rights. I trust that a new stage in Colombian justice will begin, more in accordance with prevailing ideas in other democratic countries, so that crimes cannot remain unpunished and to eliminate all forms of private justice. It is also necessary to underline the importance of the new institutions of the Prosecutor General's Office and the Comptroller General's Office as efficient tools to defend the state's patrimony, watch over the efficiency of public institutions, and punish corruption in exemplary fashion

In addition, there will be a new Congress, where every Colombian will feel he is represented, a Congress with room for the various political and social forces that will have a Senate elected by national circumscription, purged of vices, which, like the diets and parliamentarians' subsidies, marred their attainments in the eyes of the public. This Congress will be kept free of improper practices by a strict congressmen's statute and an expansion of the restrictions and incompatibilities' system. The Congress will be a lofty forum for democracy, as this Assembly has been, and capable of discussing in the face of the nation how the state resources should be invested. This discussion would be a democratic, honest, and deliberative process to approve the budget and development plans. The Congress will be equipped with mechanisms to make public officials more responsible. It will become a sounding board for the great national problems. This Congress will have the historic mission of stimulating the implementation of the new Constitution by issuing the necessary laws.

As far as the executive branch is concerned, I do not consider it to have been weakened, even if the congress was given new functions—as Lopez Pumarejo wanted in

the 1936 reforms—and even if a censure vote has been established, like he proposed at the time. I do believe that a healthy balance has been restored between the state branches. The president is still the only representative of the entire nation, the symbol of national unity, the leader of democracy, the permanent interlocutor of the people and all the political groups, the head of the state, the head of the government, and the supreme administrative authority. It is too early to know if some norms will withstand the passage of time, but I have no doubts that the political concept and institutions on which the new state is based are of a permanent nature.

Colombians have given a lesson to the world when the worst threats loomed over us, when violence interwove the skein of several simultaneous wars, when many other nations would have probably given in to totalitarian temptations in similar circumstances—and we chose the road to reforms and a true civil revolution. [applause] How many changes! What a great and profound transformation! We have left behind the state of siege, which served both to face violence and to build roads for peace—but which resulted in the loss of prestige for our democracy. We have also left behind any pretext to engage in an armed struggle as an instrument for political action.

I address FARC [Revolutionary Armed Forces of Colombia] and the ELN [Army of National Liberation], which persist in the armed struggle despite the generous offers of a legitimate and dignified opportunity for their participation, hoping that they will hear me and that they will hear the clamor of the entire nation: No more ambushes; no more attacks; no more kidnappings; no more violence; no more destruction of towers and oil pipelines; no more attacks on the Colombian people. [applause] Following this peaceful revolution, the violent harangues and actions will be the most archaic forms of reactionary force. The Caracas talks will be renewed on 15 July. Colombians and observers from many other countries will be alert to the attitude of those up in arms. All of Colombia and the rest of the world will soon know if they are determined to continue to delay solutions because they prefer to participate in the negotiations for the sake of participating and for publicity, instead of seeking truthful, realistic, and verifiable agreements. The government over which I preside will unhesitantly adopt the necessary measures to defend the new Constitution, with the assurance that voices of support will be heard in all the corners of our homeland and the world for the defenders of a fresh and renewed democracy. If, however, those groups opt in a resolute and sincere way for reconciliation and to defend their ideas through peaceful means, the government will surround them with guarantees and society will respond to the gesture with the magnanimity which they deserve.

The 27 October elections offer them an exceptional opportunity to replace the rattling of machine gun fire with their voices; to vanquish forever the dull sound of dynamite with the strength of their ideas. I invite you to take the other historical step that the Colombian people are waiting for, and that the national and international public opinion would see as a great contribution to this democratic revolution. The statement that we are reforming to pacify has seldom been so true. Violence, hatred, and impunity have been countered with a peaceful transformation, reconciliation, and justice. Obviously, the task is far from finished.

We must demonstrate that that which we dreamed of, that for which we fought so hard, is possible, not only through a constitutional text, but also in reality. We have laid the foundations for this gigantic project. Now, all together, side by side, we must raise the rest of the building. New and great efforts and new and great challenges await us. Many problems will not disappear like magic. Plenty of work and imagination will be needed to use the new tools we hold in our hands properly, to fight against violence and struggle against poverty.

What is clear, at this time, is that political violence has no place under the new constitution, as there is no place for other reproachable forms of authoritarianism, intolerance, privilege, and oppression. How can there be space now that society has broken the ties that made it difficult to express itself? Now that the revolutionary cries have been included in the Constitution, by the request of the government, the Liberal Party, the M-19 National Democratic Alliance Party, the National Salvation Movement, the Social Conservative Party, the Patriotic Union, the Indians, the evangelists, the Hope Peace and Liberty Movement, the Quintin Lame and the PRT [Workers Revolutionary Party]? No, let no one be fooled. A new legitimacy has been built, based on a pluralist consensus, so that the struggle may continue, yes, but a democratic struggle and not an armed struggle.

The 1991 Constitution is a peace treaty. A new instrument for reconciliation. Let us look to the future. The Constitution of 1991 has moved us into a new situation. A refreshing air can be felt; the windows are open to a smooth, balanced and strong political process, and there is an enormously wide, and long avenue for those citizens who identify with their constitution to walk along, proud of their democracy and ready to continue building this other Colombia. Traditional politics, corrupted by influence peddling is overtaken by a new way of moving public opinion and by a political style that has been cleansed of those practices that we all reject.

As I imagine the future I remember with emotion Luis Carlos Galan, who gave politics its magnificence once again; who demonstrated the power that ideas have to transform reality, and who began and will always be an ever-present part of this future. Democracy will survive, Galan used to say, if a nation manages to identify a common goal that represents us all, and not just a certain privileged sector. Very well, that common goal has been identified and is represented in this process, in which Galan would have been a most prominent participant. [applause]

Today we begin the most important journey we have ever made, with the confidence of knowing that perseverance has defeated skepticism and holding in our

hands the riches that contain almost two centuries of experience and aspirations. We are satisfied that all has gone well, and with our fists held high we celebrate a success that belongs to all Colombians. We are therefore obliged to make this experiment in audacity, imagination, and pragmatism to transform reality, attain full force, consolidate peace, and confirm a just order.

Delegates and compatriots: My pledge as president of the Colombian people is to continue to promote this new faith, this democratic, peaceful revolution that I have promised, without weakening for a single instant. At times, I look with nostalgia at these 150 days during which the entire country was waiting with expectation for the creation of a new constitution. The sessions of the 1991 Constituent Assembly have ended. You will get a respite from all that pressure and such exhaustive work. For a time, you will return to the bosom of your families and your regions, which will receive you as you deserve, as soldiers who have just won this great battle for peace and reform.

Hope has been reborn. We are certain that we have fulfilled the words of Simon Bolivar, the liberator, by having kept equality intact by means of laws. Confidence has been reborn in our enormous capacity to carry out the turnover in all its magnitude, to advance vigorously in this stage of our history, to begin from today, with this new navigation chart, the path toward the 21st century, to take the right course in the clear horizon ahead of us, with no more fear than that of hesitation, because the future is there for those who dare to dedicate their lives to the building of a new Colombia.

The old order has been left behind, and with the aid of Colombia's God, we will make our fatherland prosperous and peaceful. Colombians, welcome to the future. [applause]

'Extraditables' Announce Disbandment in Communique

PA0307184491 Bogota Inravision Television Cadena 1 in Spanish 1734 GMT 3 July 91

[Text] The Constitution was approved today in Colombia, and so was the ban on the extradition of Colombians. With the arrest of drug lord Pablo Escobar Gaviria in Medellin, Antioquia Department, and the detention of several of his lieutenants at the Envigado jail, the Medellin Cartel's armed wing has just about been dismantled. Persons calling themselves The Extraditables confirmed this information in a communique issued in Medellin, which reaffirms the dismantling of the military organization and the end of narcoterrorism.

In a seven-point communique, The Extraditables levied charges against top National Police and security agency officials. They also announced the disbandment of this pressure group that became the armed wing of the Medellin Cartel, whose members are now in jail.

Here are the highlights of the recent communique. First, they said they decided to disband their military organization. Second, they said they will stop any action against those regarded as their enemies. Third, they noted they realize this is not the end of drug trafficking, since it has numerous branches in different parts of the world. Fourth, they said that Cali Cartel chief Gilberto Rodriguez Orejuela is protected by some top National Police officers. Fifth, they indicated that these same officers provided false reports on drug trafficking. Sixth, they announced that the hundreds of corpses thrown in the Cauca River in Cali were the victims of murders and forced disappearances in places where the Rodriguez Orejuela brothers operate. Seventh, they charged that National Police Commander General Miguel Antonio Gomez Padilla, Administrative Department of Security Chief General Miguel Maza Marquez, and Colonel Oscar Pelaez Carmona, chief of the Directorate of Judicial Police and Investigation, publicly defended the Rodriguez Orejuela brothers.

This is the end of one of the Medellin Cartel's military instruments that was used to perpetrate terrorist actions, attacks, and kidnappings of personalities as well as to denounce human rights violations against some relatives of drug traffickers. The Extraditables emerged following the murder of Justice Minister Rodrigo Lara Bonilla in 1984, after which the Belisario Betancur government announced the resumption of the extradition of Colombians to the United States. After that and until the present, more than a military apparatus, they were the heralds of the terrorist actions and assassinations of top figures that the country experienced.

Escobar Gaviria Denies Role in Attacks

PA0407151591 Bogota Radio Cadena Nacional in Spanish 1212 GMT 4 Jul 91

[Text] Bogota—Everybody is pleased with the policy of President Cesar Gaviria and his ministers, which has the backing of the attorney general and the Supreme Court, said Medellin Cartel chief Pablo Escobar Gaviria in a report published today by Medellin's daily EL COLOMBIANO. Gaviria added that he trusted the Colombian president's word, although this is not a matter of promises, but of the fact that there are decrees and laws banning extradition.

The drug trafficker indicated he will take classes, but is not going to study law, since in Colombia laws change. I am planning to study journalism, he stated. Escobar Gaviria also noted: If I hear that the United States will attack Colombia in case I receive a sentence that is not to their liking, I am ready to spend my whole life in jail to prevent a U.S. attack on Colombia. Gaviria Escobar added that Barry Seal, the most important drug trafficker in the United States who smuggled tons of cocaine into that country, did not serve a single day in jail, but was sentenced to sleep at an Army garrison.

M-19 [April 19 Movement] leader Carlos Pizarro Leongomez was killed by the people who were guarding him,

Escobar Gaviria is quoted as saying in today's newspaper report. He added he is still being questioned and that he knows that the government is keeping its promises, since it will not extradite him.

When asked about what really went on regarding his surrender, Escobar Gaviria answered: The process is the same as for anybody else, but it contains guarantees that my life will be protected. I know very well what happened to Pizarro: He was killed by the people who were guarding him.

Escobar Garivia also said the Medellin Cartel exists only in the news media. I consider myself a friend of the Ochoa family, and I also knew Gonzalo Rodriguez Gacha [slain drug lord], but I never joined him in his war on the guerrillas, he told EL COLOMBIANO. The Medellin Cartel chief noted he can only be held accountable for the documents that carry his signature and fingerprint. He said: I never signed any of The Extraditables' communiques, as that is a clandestine group. I played the same role in The Extraditables that Diego Montana Cuellar [late Patriotic Union leader] played in the FARC [Revolutionary Armed Forces of Colombia]; that is to say, I was its political wing.

The Rodriguez Orejuela family [leaders of the Cali Cartel] placed the first big bomb that exploded in the country, in the area where I lived in peace with my family, Escobar Gavira noted in the first major interview he has granted to a Colombian news media source since being taken to the Envigado maximum security jail. The drug lord noted his agreement with the stances adopted by the constitutent deputies on the matter of extradition. He added that the deputies listened to the voice of the people. Gaviria also stated that the proposals by Constituent Assembly Deputies Juan Gomez Martinez and Hernando Londono on the repatriation of thousands of Colombians who are held in foreign jails should not be ignored.

More Medellin Cartel Members Surrender

PA0407181991 Bogota Inravision Television Cadena 1 in Spanish 1755 GMT 4 Jul 91

[Text] Four more members of the Medellin Cartel surrendered to Colombian justice this morning. This makes a total of 13 of the Medellin Cartel members, who Pablo Escobar Gaviria had announced would accompany him to the Envigado security prison.

Jose Fernando Ospina Montoya, alias El Gordo; John Jairo Betancur Montoya, alias Icopor; Juan Carlos Diaz Bedoya, alias La Garra; and Alfonso Leon Puerta Munoz, alias El Angelito, surrendered to Colombian justice before Antioquia Criminal Court Director Marta Luz Hurtado.

According to initial reports, the four men are key players within the Medellin Cartel structure and are trusted men of Pablo Escobar.

Meanwhile, with the signing of the new Constitution, the extraordinary decrees of the government to submit drug traffickers to justice will not have any authority. Despite this, Antioquia Criminal Court Director Marta Luz Hurtado said that, given the conditions, the enforcement period of the decrees could be extended. Everything seems to indicate that in that case there would be more surrenders.

* School Official Assassinated in Medellin

91SM0366A Bogota EL TIEMPO in Spanish 25 May 91 p 8A

[Text] For spreading a message against drugs within the school community which he headed, assassins killed Jaime Gutierrez Alvarez, a member of the Christian Brothers and rector of Colegio La Salle, in the Campo Amor section of Medellin.

Known as Brother Jimmy within his community, the religious brother was gunned down by an assassin's bullets at 2000 on 21 May in front of the school of which he had been the principal since 1989.

Brother Jimmy was a happy and uncomplicated man who was good at public relations. On several occasions he dared to denounce the numerous shops which retail drugs in the neighborhood near the school in the southwestern section of Medellin.

Spokesmen of the college told EL TIEMPO that a few days before his murder Brother Jimmy was threatened by persons involved in the business of selling drugs in the areas near the school.

Born in the town of Pacora (Department of Caldas) 67 years ago, Brother Jimmy had spent the last 4 years at the college. From 1988 to 1989 he was the vice rector while also teaching social studies to pupils in the elementary grades.

In 1990 he was appointed rector of the college and had an outstanding record since then for his broad culture, his dynamism, and his dedication to teaching the young, whom he always urged to reject drugs.

Brother Jimmy was buried with the full honors of the La Salle community at 1600 on 22 May at San Pedro cemetery in Medellin.

Ecuador

* Indigenous Groups Criticize CONAIE 'Farce'

91SM0378B Quito HOY in Spanish 9 Jun 91 p 1A

[Text] The Confederation of Independent Organizations of the Amazon Region, COIRA, has rejected the "pseudo-leadership of the CONAIE [Ecuadorian National Commission for Indian Affairs]."

That organization's president, German Andi Grefa, characterized as "cleansing" the recent takeover of the

National Congress, and he downplays the dialogs currently being held with the government and the Ecuadorian Episcopal Conference.

Introducing the term "multinational" into the Constitution does not resolve the Indians' hunger problem, they said. COIRA is comprised of the Napo Federation of Peasant and Indian Organizations, FOCIN; the Pastaza Peasant Development Federation, FEDECAP; the Shuar Organization of Ecuador, and the Shuar Federation of Zamora Chinchipe.

Uruguay

President Lacalle Addresses American Association

PY0407022591 Montevideo EL PAIS in Spanish 28 Jun 91 pp 1, 2

["Text" of speech by President Luis Alberto Lacalle to the American Association of Uruguay on 27 June 1991 at the Golf Club in Montevideo]

[Text] As I now have to speak about other responsibilities, I was just thinking about what I should tell my fellow countrymen and the guests who live in our country in a time like the present one. Consequently, I thought that I should take today's date, 27 June, as a reference point for two very different reasons: One that occurred 18 years ago and another that occurred one year ago at the U.S. White House, when President Bush announced his Americas Initiative. You will wonder how these two things can be related. I will tell you that it can be done in a logical manner, although, it cannot be done in an easy manner. One of the dates, 27 June 1973, makes us think of our immediate past; and the other, 27 June 1990, makes us think of our immediate future. I, therefore, ask your permission to take your time to analyze these two dates. Because I have taken an active, passionate part in the events that occurred before and after 27 June 1973, I may be the person least entitled to analyze them. I will just point out that by 1965, violent minorities tried to introduce intolerance as the alleged way of achieving political objectives and, in a certain way, succeeded in doing this. They thus committed a mortal sin against a country built on the basis of tolerance. If there is something that we, Uruguayans, can be proud of, it is the fact that we have built in this small piece of land a tolerant, respectful, and free society with a broad political system. Our system may not be effective, but it is the freest, broadest, and one of the most democratic systems in the world. Despite this social context, however, some began to sow the seed of intolerance in 1965. As a result of this almost fatal phase, another type of intolerance erupted on 27 June 1973. After describing deeds, we will not say much else. We will only add that these two types of intolerance were futile. The worst thing that can be said of a political action is that it was futile and that it led nowhere. If in addition to that, it caused harm, pain, division, and more evil than some hypothetical good, then this action will have been condemned as a political position. I believe we all share this opinion, so I repeat that I am the person who is least entitled to analyze the issue, because I have known the violence that prevailed on both sides and have always had a very passionate position regarding the events that occurred in that period of our history.

I ask, however, why have certain things taken place? We cannot be content with the mere description of past events. Reasoning people, people who love their fatherland the way we love ours, will ask more questions. They will ask: Why have these things taken place among us? I will say that they occurred mostly because we had not accepted all Uruguayans as members of our society. I will add that despite the hardships, violence, guerrillas, authoritarianism and subsequent re-establishment of democracy, and the fundamentally open and free times we are experiencing now, we still have not fully assumed our responsibilities as political agents. We still make a difference between politicians, politics, and ourselves. As we analyze ourselves, not in a loud voice but as a man or a woman must earnestly analyze his or her inner self, we will discover the tremendously political essence of each one of our attitudes and our role in life. Naturally, those of us who are professional politicians must examine our consciences before anyone else and point out our faults, our electoral interests, our frequent lack of a global vision, our failure to concentrate on the most important things rather than on the secondary ones, and our lack of a sense of national unity that can justify a political system. This is important because a political system is not constructed accidentally or uselessly; it must be constructed as an instrument of national reality. Another important thing, however, is that the businessmen, the workers, the press with its tremendous power over national life, and each citizen assume the political responsibilities that are indissolubly linked to each political right and not only these rights.

If we are against collectivism—and we are—if we are against any philosophy that conceals the individual, that classifies him in superior, or allegedly superior categories, we must not avoid a citizen's duties because we exercise our rights on earth, and we exercise them well; we exercise them regularly, and we exercise them for a reason. But we also overlook our duties, and perhaps the fact that the different social sectors did not fulfill their duties encouraged the incidents that occurred during the periods we have just discussed.

We believe this is what happened in the past and that the current situation is like it is today because all of us have ignored that great resource that is the basis of true political works: truth. But not truth in the sense of not lying, but truth in the sense of assuming the facts and of being aware that certain activities and attitudes cannot be because they are not part of the real world.

This country cannot continue believing that a large amount of money is deposited somewhere and that if this money is not being distributed more efficiently it is because government officials do not want it. We must be aware of the association between the taxpayer and the citizen. We must be aware that it is citizens who finance everything. I know we understand this, but sometimes we forget it. We tend to forget this when we are directly affected, when we will

benefit from a subsidy, when we will benefit from the suspension of a certain measure, when we have to pay our contribution to the Mortgage Bank however, we want to pay less than what we received. It is in these cases that we make an exception. But it will be impossible for our country to plan for the future if our society does not make a self-examination, if it does not make a critical analysis of its activities, of its role.

A distinguished citizen, one of my opponents in the last elections, recently appealed to those people who are marginal, because they are a disruptive factor to go beyond merely casting a vote and to actively and effectively engage in political activities. We believe that if each one of us—employees and employers, retirees and workers, peasants, and people in the cities—does not take on as many political duties as possible, there is no sense in having a democratic system; there is no sense in passing laws; there is no sense in having laws promoting development, because what we need to achieve is genuine development. The dichotomy between government and politics concerning business, salary, and retirement pension, must cease. Therein lies the dilemma of those of us who have responsibilities. Today it is I, in 42 months it will be another citizen who will be here. We have reached the limit to make proposals because rulers reach the limit to pose options—although the options are posed to Congress, they are posed to all citizens. All of us have a legislative representative because all of us elected one. Therefore, we must not exercise our public opinion only once every five years as if we were paying a tax. We should not feel elated about how democratic our country is or how magnificent our institutions are just for doing this and 15 days later forget about the person who received our support in the polling booth, which is the most democratic exercise there is.

Today, I am going to raise more questions than answers. We have executive and legislative branches that have assumed and are assuming their full responsibilities. In Uruguay, we have a judicial branch that safeguards our rights. Because when there is an individual action, when there is a concrete situation, it is then that the judicial branch shines with the highest degree of authority. We have businessmen who really assume the hazards of taking risks; we have unions that really and truly practice solidarity, true solidarity, not the solidarity that is written on walls, but the solidarity of defending labor and feeling that they are partners in prosperity. I believe that today no one can support the class struggle. We have a media that fully exercises the power that society has granted it, a power that does not belong to it, because it is granted to it. A media that tries to educate, tries to lead, and, of course, to handle events that it has the duty to relate.

I believe, friends, that those questions still remain to be answered. I, myself, should not give any more answers than those that correspond to the executive branch. I do it once a year before Congress; therefore, I will not do it now. You will have your own opinions on these subjects, and you will obviously keep them to yourselves. Yet, I believe that the other questions do have to be raised today, because 18 years after an episode—we have to choose a date—an episode that began to develop five or 10 years before that time, and that upset our life, we wonder: Have we learned anything from our sufferings? We admit that it was not an event that happened just by chance, but that everyone of us shared part of the blame. We say this when we think on the other date, which I would call a positive date, on which President Bush submitted his proposal for qualitative transformation of the relations between the United States and the Americas. This proposal was implemented a few days ago through one of the most significant political events for inter-American relations, which was the signing of the Four-Plus-One Treaty, in which for the first time Mercosur [Common Market of the Southern Cone] had real, true political existence. It was four nations with which the United States agreed on and signed a treaty.

Therefore, it is about the future that we are more concerned, because bygones are bygones. Yet when we consider this situation, integration in 50 months, integration with Brazil, with Argentina, with a market of 200 million consumers, are we considering it as something that will happen outside us, far from us? Or perhaps this time, since our private interest will be very specifically affected, we might be willing to embark on the tremendous adventure of truly assuming a responsibility.

For us, dear fellow countrymen and dear visitors, that is the point. Do not believe that governments can do everything: Fortunately, they cannot. They can do everything in some areas, but they cannot do everything. The president and Congress can ratify one, two or 10 Mercosurs. They can approve tax law A or B. They can propose reforms, but if everyone does not incorporate such initiatives into his own activity, such initiatives will be dead, will be nothing but paperwork, events but no action. But human beings work with actions. Human beings express themselves through actions in which will and conscience make us the holders of eternal values, the masters of creation. We should learn to turn events into action.

There is an episode to which I have attached considerable significance, which is the situation of our social security system. Even at the risk of overemphasizing it, I would dare say that nothing—not even the state-run bill, the bill to end monopolies, or possible education sector bills—is more important for our future than the resolution of the social security problem. We are deeply convinced that no sector can be excluded from this endeavor, and we believe—actually we are sure—that we have acted accordingly. In the second week of July, we will summon absolutely all political sectors to listen to social security officials, who will give a true diagnosis, based on figures, of what is happening today and what will happen in 10 years, based on the appropriate estimates. On the next day, we will summon all businessmen, labor leaders, and the mass media to try—and I hope we will succeed—to close ranks behind this issue, because this is not a Lacalle administration issue or a National Party issue. It is the issue of the Uruguay of

tomorrow. We will do this so that we may do away with the preventive and political attitudes that we have adopted—attitudes that all of us respect—and so that we may find a common denominator to see whether we can face up to the circumstances. We owe this to our children because we will not be doing it for ourselves, because more than half of our lifetime has already passed.

If we do not solve the social security problem, Mercosur, the Four-Plus-One Treaty, or the Bush initiative will do nothing for us because with such burden the country will not move forward, or I should say, rather, that the future of our children will be mortgaged.

If we do not change the social security system, based on current projections we will have to supply $500 million to it after year 2000. I tell you that this is impossible, because today we are supplying it with far more than $100 million. It is impossible to make this figure five times as big. If this is not an issue that calls for everyone's participation, if everyone does not feel that he should become involved, we should then seriously wonder whether we have really profited by the past, that is, whether we have actually learned the lesson.

PCU Committee Wants Blockade of Cuba Lifted

PY0407003391 Montevideo LA HORA POPULAR in Spanish 30 Jun 91 p 12

[Text] In its last session, the Communist Party of Uruguay [PCU] Central Committee adopted the following resolution:

"The PCU Central Committee calls upon all party militants and all citizens of different political trends to give maximum support to the collection of signatures that will be forwarded to the United Nations. This organization will then ask the U.S. Administration to lift the blockade of Cuba, which represents a violation of the rules for international coexistence and the right for self-determination of the peoples."

Venezuela

Head of Intelligence Service Submits Resignation

PA0407013591 Madrid EFE in Spanish 1701 GMT 3 Jul 91

[Text] Caracas, 3 Jul (EFE)—The announcement today by the Venezuelan Government that the Drug Enforcement Administration (DEA) will increase its anti-drug assistance coincided with the government also acknowledging that General Raul Gimenez Gainza had submitted his resignation because of his criticism of the DEA.

Raul Gimenez Gainza was the head of the Directorate of Intelligence and Prevention Services (DISIP), the Venezuelan political police, and he had stated that the DEA contributes worldwide in the fight against drug trafficking, but that "in several instances it has tried to take the place of national [police] organizations, and this cannot be."

Today, Michael Skol, U.S. ambassador to Venezuela, announced a closer partnership with the Venezuelan Government in its efforts against drug trafficking.

Skol paid tribute to the speech last week by President Carlos Andres Perez in which he proclaimed himself "head of the war against drug trafficking."

Ambassador Skol, who met with Perez on 2 July, pointed out that there is a continuous exchange of information between the DEA, the National Guard, and the Venezuelan police authorities.

Skol also said that the United States Treasury Department has an agreement with the Venezuelan Central Bank to control the "laundering" of U.S. dollars, the product of drug trafficking related activities.

Meanwhile, Venezuelan Defense Minister General Fernando Ochoa Antich pointed out that several Venezuelan institutions had been infiltrated by drug traffickers and that the full weight of the law would be applied to all military personnel who are found to be involved in this type of crime.

Ochoa Antich's statements took place at a time when Venezuela is carrying out a frontal assault against drug traffickers who, according to some police reports, with the surrender to Colombian authorities of Pablo Escobar Gaviria, head of the Medellin Cartel, have transferred their center of operations to Venezuela.

Perez Comments on Importance of U.S. Investments

PA0307173391 Caracas Venezolana de Television Network in Spanish 0019 GMT 27 Jun 91

[Text] During a working session with members of the U.S.-Venezuelan Businessmen's Council, President Carlos Andres Perez said that his government is open to favorable relations between U.S. and Venezuelan businessmen. The invitation that Perez extended to the council had the clear objective of increasing Venezuelan exports to the United States despite the recent difficulties, which Perez himself has admitted do exist.

William Rhodes, president of the council's U.S. chapter, referred to five key points of interest for the United States. These points include a definition of the copyright law, taxes and royalties, Venezuelan financial reform, the privatization process, and the Initiative for the Americas. In turn, Gustavo Folmer, president of the Venezuelan chapter, said that good communication channels have been opened despite several obstacles.

[Begin recording] [Rhodes] This group of Americans believe that a free trade accord with the United States is a good opportunity for Venezuela. We hope that the

Venezuelan members of this council will be able to work with us and conclude such a treaty in the future.

[Folmer] The investments of many of these people are already present. They will probably be able to expand their investments in exports from Venezuela. As soon as the reforms of the financial sector are completed, they will have opportunities they have not had so far. [end recording]

In addition, Perez described as interesting and stimulating the fact that channels of exchange with the United States are being opened.

[Begin Perez recording] During my talks with top U.S. Government officials, I advised them that Europe has shown more interest in investing in Venezuela than the United States. I also told them that this situation was the result of the scant interest on the part of the United States, an artificial economic situation that gradually (?cooled) the relations between the two countries. I must say, however, that at present U.S. businessmen have become more and more interested in Venezuela. Of course, we are also interested in European, Japanese, and Asian investments. There is no doubt, however, that our basic relations are and will always be with the United States, for economic, political, and [words indistinct] reasons. [end recording]

Finally, Perez told the U.S. businessmen that the Venezuelan Government will always be willing to listen to any suggestions or comments to implement any necessary reforms and pave the way for the important trade between the two nations.

Guyana

Cooperation Agreement Ratified With Venezuela

FL0407181591 Bridgetown CANA in English 1752 GMT 4 Jul 91

[Text] Basseterre, St. Kitts, July 4, CANA—Guyana and Venezuela have ratified a new bilateral cooperation agreement that gives Georgetown one-way free trade access to Caracas, President Desmond Hoyte announced here Thursday. The Guyana head of state, one of a dozen Caribbean Community (Caricom) leaders into the final day of their annual summit here, said his Venezuelan counterpart, Carlos Andres Perez, had recently notified him of the ratification by Caracas.

Hoyte said that under the pact Guyana will be able to sell Venezuela at "reduced tariffs or no tariffs," a specified range of products. These, Hoyte said, included bauxite, wood and wood products, alcoholic beverages, and fruits and vegetables. Trade Minister Winston Murray, who accompanied the president, said it was now up to the Guyana private sector to take advantage of the initiative. Venezuela has a similar agreement with neighbouring Trinidad and Tobago.

Hoyte painted a picture of an improving Guyana economy. He said a recent International Monetary Fund (IMF) mission to Georgetown had described the recovery proceeds as "extremely good." The IMF, with which Guyana has an extended fund facility to shore up the eeconomy, is forecasting growth of 3.5 to 4 percent, Hoyte said.

Already this year rice production for the first crop has exceeded the corresponding 1990 output by 37 per cent, gold declarations were headed for a 75-year high of 50,0000 ounces (1990: 40,000 ounces), and production of calcined bauxite was "far higher." This performance, the Guyanese president said, was the beginning of a "reversal of fortunes" for his country.

Hoyte said Guyana was now talking with Jamaica Broilers Limited—a big multi-faceted Jamaican agribusiness company—about the possibility of buying into the state-owned Guyana Livestock Industrial Development Company (Lidco). Lidco produces cattle and dairy products. The negotiations are part of a continuing government divestment programme that has already seen private sector firms from Trinidad and Tobago and St. Vincent and the Grenadines buying Guyanese companies involved in wood products and rice milling.